

Lima Workshop on Mining and Sustainable Development in the Americas

June 27-29,1998, Lima Peru

Report of Proceedings

Revised notes, distributed in English on October 21, 1998,
for translation and comment by the Spanish speaking participants.

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Executive Summary

On the holiday weekend at the end of June, 1998, a unique event took place in Lima, Peru. Seventy six people from 11 countries in the Americas came together to discuss how to improve mining policies and practices in the Americas. Representatives of industry, governments, research institutions, non-governmental organizations, communities, indigenous peoples and multi-lateral organizations shared their different perspectives and experiences, arrived at a vision statement, and formed five working groups to act on the vision.

Building a statement of vision was not easy. The discussions were highly animated and the participants fully engaged. They identified five core objectives and 12 areas in which concrete results are sought, under the general vision of mining for “Balanced, Harmonious and Sustainable Development” (see diagram).

The five strategic objectives are 1) improved living conditions, 2) sustainable technologies and economic development, 3) transparent regulations and policies, 4) internalized social consensus, and 5) democratic participation of stakeholders. Within each of these objectives, specific activities were identified to be undertaken for each category of results being pursued. In order to carry the discussions further and to encourage cooperative action, working groups were formed around each of the objectives. Twenty-six people volunteered to participate in these working groups to be coordinated by the International Institute for Sustainable Development (IISD).

The idea of holding the workshop emerged from an earlier series of meetings held in Canada, organized by IISD and IDRC, with support from the Centre for Foreign Policy Development. During these meetings, concerns had been expressed about the environmental and social impacts of mining on communities, both in Canada and in Latin America. The suggestion to expand the dialogue from a group in Canada to a broader group in Latin America received support from IISD, IDRC, the Department of Foreign Affairs and International Trade, Natural Resources Canada, GRADE (Grupo de Análisis para el Desarrollo) in Peru and Placer Dome.

At the end of the workshop, participants generally concluded that it had achieved its objectives. The workshop had generated a sense of goodwill that can form the basis of future networking and collaboration. Bridges were built among private, government and civil society participants, and information on current initiatives was shared. Interest in establishing a communications network was confirmed and IISD/IDRC agreed to provide electronic networks (supplemented by fax where necessary) to serve participants.

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Background

This workshop was part of an initiative undertaken jointly by the International Institute for Sustainable Development (IISD) and the International Development Research Centre (IDRC) in co-operation with the Government of Canada and GRADE (Grupo de Análisis para el Desarrollo). The workshop was held in response to concerns on the part of Canadian companies active in Latin America, and governments and non-governmental organizations throughout the hemisphere, about mining exploration and development issues related to the environment and the welfare of mining communities.

Over the winter of 1997-98 a group of people within the Canadian industry met with their counterparts in government departments and non-governmental organizations. We recognized that our common goal is *to improve mining policies and practices to ensure that mining activity contributes to the achievement of sustainable development in the hemisphere.*

The meeting in June was intended to broaden the dialogue between people in companies, in governments and in civil society organizations from a small group in Canada to a larger group in more countries.

Workshop Objectives

- To build bridges among private, government and civil sectors of society to clarify issues from different stakeholder perspectives, improve communication and identify priority areas for action.
- To build on current initiatives and identify additional opportunities for cooperative action and develop action plans.
- To establish a communications network to share information on policies, projects and practices to support the priorities and action agenda.

Participation

Approximately 90 invitations were sent to people from five sectors (private, government, civil society, academe and multi-lateral organizations) in the major mining countries in Latin America. Seventy six people from 11 countries attended the meeting, in addition to four facilitators. Over half of the participants were from Canada and Peru. By sector of interest, there were 15 people from the private sector, 30 from civil society, 13 from academia, eight from government, and eight from international organizations. A fairly good balance of representation was therefore obtained, with particularly large representation from civil society. A participant list is available (contact nkseymoar@iisd.ca or click on <http://www.idrc.ca/mpri/meetings.html#IDRC/IISD> workshop).

This meeting was jointly organized by IISD and IDRC, with collaboration from an organizing committee chaired by Dr. Nola-Kate Seymoar of IISD. Logistical arrangements in Peru were managed by GRADE. A group of four facilitators, including three Peruvians and one Canadian, ran the sessions. The facilitators were Antonio Bernales, Glenn Sigurdson, Rocio Lanao and Juan Arce. The recorder for the event was Carmen Roca of IDRC.

The meeting received financial and in-kind support from IISD, IDRC, the Government of Canada (the Department of Foreign Affairs and International Trade and Natural Resources Canada), GRADE and Placer Dome. Their assistance is gratefully acknowledged.

Summary of Events

Saturday June 27th

Welcome

Alberto Pasco-Font of GRADE introduced Mr. Graeme Clark, Ambassador of Canada in Peru and Mr. Mogrovejo, Director of Mining at the Peruvian Ministry, who welcomed the participants and opened the session.

Opening Session

The objectives of the meeting were presented and participants were divided into six groups. Each person was invited to express his/her “concerns or issues” and “hopes or inspirations” about mining and sustainable development in the Americas. A reporter then summarized the results of each group, and the members of each group introduced themselves to the assembly.

Among the major concerns and hopes expressed by the groups were the following:

Concerns

- The socially and environmentally adverse effects of mining; more specifically, mining’s impacts on those who depend on natural resources (community and indigenous peoples); the effects of mining on cultural, environmental and social equilibria
- The transitory nature of the benefits of mining in the community and how to make benefits more sustainable
- Economic development in the long term for the country as a whole
- That mining projects could be stopped because of misunderstandings between companies and communities
- The bad perception/reputation of the mining industry as lacking in concern for social and environmental considerations
- The environmental impacts of small scale mining
- Insufficient dialogue among stakeholders, and weak negotiation capabilities of some parties
- Monitoring the behaviour of Canadian companies in Latin America compared to Latin American enterprises
- Confusion in policies.

Hopes

- Mining that is socially and environmentally sound
- Sustainable, decentralized benefits from mining; mining to foster other economic activities and increased capacities in the communities which will last when mining is over
- Inclusion of the social impact of the project with the environmental evaluation

- Consideration of individual, community and environmental interests in matters of sustainability
- Clear rules about what society demands of mining
- Improve communications and dialogue among stakeholders to achieve good social/environmental conduct, patterns and norms.
- Greater consensus and agreement among stakeholders
- Equitable use of resources for social, environmental and economic purposes
- Broad-based development of Latin American countries beyond the export of minerals.

Sunday June 28th

Presentation by Nola-Kate Seymoar, IISD, Mining and Sustainable Development, an Integrated Approach (For a full copy of the presentation contact nkseymoar@iisd.ca)

This presentation identified sustainable development as a goal (to achieve economic, social and environmental well being for current and future generations), and discussed the potential of mining to contribute to that goal. Nola-Kate emphasised the need for looking at the issues from an integrated perspective and used the metaphor of a flower – a living system requiring nurturing. The roots of the flower were the three basic elements of economic, social and environmental well being, the stem was the capacity for healthy growth, the leaves fed the plant's growth through education and training, and monitored well being through measures and indicators. The petals of the plant were the five instruments for change: policy and regulatory frameworks; credit and investment; local knowledge and community strengths; technology; and institutional structures. Attempts at improvement must take all five of these instruments into account.

Discussion

A series of questions and answers focused on the process of influencing change. The assumption that mining can contribute to sustainable development was challenged. Assuming that mining would go on, we should focus on influencing it for the better. Questions were asked about how ethics fit into the flower metaphor (the soil?), and about how one engages and influences political leaders and industry. The point was made that it is difficult, but essential, to keep the big picture in mind and to seek approaches which integrate economic, social and environmental concerns.

Sustainable development was described as both a goal and a participatory process. The next presentation focused on the multi-stakeholder process that must be imbedded in a sustainable development approach to mining.

Presentation by Glenn Sigurdson, Guiding Principles for Building Consensus (for copies of overheads or further information contact cse@direct.ca)

In 1991, the Canadian Roundtables on the Environment and the Economy launched an intensive effort to understand the nature of negotiation-based processes and their application to issues of sustainable development. Their goal was to identify the essential elements of successful consensus building and, based upon that understanding, establish a set of principles to guide its use. More than 100 individuals participated in the process, which was led by the National Task

Force on Consensus and Sustainability. They represented a broad spectrum of Canadians, including representatives of all levels of government (both elected politicians and officials), indigenous representatives, corporate representatives and those of NGOs. Every word in the resulting document, “Building Consensus for a Sustainable Future: Guiding Principles,” was subject to intense discussion over a two and a half year period and was ultimately agreed to by consensus.

This document has since been used as a guide in the development of many contracts and treaties at the local, national and international levels.

Building Consensus for a Sustainable Future: 10 Principles

- | | |
|---------------|---|
| Principle 1. | <i>Purpose-Driven</i>
People need a reason to participate in the process |
| Principle 2. | <i>Inclusive, Not Exclusive</i>
All parties with a significant interest in the issues should be involved in the consensus process. |
| Principle 3. | <i>Voluntary Participation</i>
The parties who are affected or interested participate voluntarily. |
| Principle 4. | <i>Self-Design</i>
The parties design the consensus process. |
| Principle 5. | <i>Flexibility</i>
Flexibility should be designed into the process. |
| Principle 6. | <i>Equal Opportunity</i>
All parties have equal access to relevant information and the opportunity to participate effectively throughout the process. |
| Principle 7. | <i>Request for Diverse Interests</i>
Acceptance of the diverse values, interests and knowledge of the parties involved in the consensus process is essential. |
| Principle 8. | <i>Accountability</i>
The participants are accountable both to their constituencies and to the process that they have agreed to establish. |
| Principle 9. | <i>Time Limits</i>
Realistic deadlines are necessary throughout the process. |
| Principle 10. | <i>Implementation</i>
Commitments to implementation and effective monitoring are essential parts of any agreement. |

Discussion

Questions and discussion focused on the differences between consultations, where one group made the decisions and asked others for input or advice, and consensus processes where each party at the table has an equal opportunity to influence the outcome. Several examples were given where the consensus process had been effective in resolving issues. The applicability of the Whitehorse Mining Initiative, WMI (a northern example) to a Latin American context was

questioned and the lack of practical follow-up to the WMI was pointed out. The discussion pointed to three things that need to be kept in mind for multi-stakeholder processes to work: i) consensus is necessary, ii) players have to be prepared to have a dialogue, and iii) it is important to choose the right (credible) participants.

***Presentation by Murray G. Jones, Camisea Project Shell Peru
(for further information or copies of overheads contact M.Jones@spdplim.simis.com)***

Murray outlined the consultation process undertaken over the past four years by Shell Peru and its partners in the Camisea Area for the exploration of a potential natural gas pipeline. The process has involved about 200 groups and 40 native communities in a two-way flow of information. The process includes regular feedback to stakeholders about plans and their modifications. Shell employs 10 community liaison officers in addition to their health, safety and environment staff. Altogether they have been spending about \$2 million annually on community issues. (The overall value of the project is \$2 billion). Murray identified the changes that had resulted from the consultations and some of the lessons learned.

Note: Since the Workshop, Shell and the Government of Peru have indicated that Shell and the consortium are withdrawing from the project.

Discussion

The discussion centred on questions related to the importance of the communities' interests versus the national (governmental) interests, the relationship between local development (health and education) and local economic development beyond jobs on the project, and the involvement of stakeholders (who represents whom). One participant raised the difficulty of the short time frames available to local groups to respond to the EIAs or other plans.

***Presentation by Roberto Villas-Boas, Ouro Preto Initiative (Brazil)
(for further information contact villasboas@cetem.gov.br)***

Roberto outlined an initiative in Brazil that began about three months ago. Ouro Preto is a mining city about 400 km north of Rio. The Ouro Preto Initiative is a government initiative involving industry, government and community groups. It has two sustainable development planks: creation of a national agency for the environment that would include an agency for mining; and bringing a sustainable development approach to the mining sector.

Discussion

Discussion focused on the role of the newly created organization, the difficulties of involving informal workers in a consensus process, and the importance of the early involvement of communities.

Working Groups: Sharing Experiences that involved Multi-stakeholder Processes - Lessons Learned - What worked and what didn't work

Participants were divided into four groups. They were asked to share experiences which involved multi-stakeholder processes in which consensus was sought. They were to focus on factors that

worked or didn't work to make the experience successful and on the lessons learned as a result. Thirty experiences were discussed in the four groups. The results of these are reproduced in note form in Annex 1 to this report. A number of general lessons were derived from these experiences in the groups and in the plenary which followed.

What worked?

- Invitations to wide groups of stakeholders, including all the different interests involved
- Participatory methodologies
- Strategic planning methodologies for local communities to develop community plans
- A clear understanding of how the process will work, developing an appropriate process for each case
- Involvement, commitment and active participation of different stakeholders, at an early stage
- Having third-party facilitators of the process (i.e., professionals from universities or NGOs)
- Timely access to information
- Ensuring continuity in the process, and continuity in representation from each sector throughout
- Having appropriate representatives for each stakeholder group; they should really belong to the groups they represent; they should only represent one interest in the process, not group and personal interests at the same time.
- Financial independence of the agents who participate in the consultation process
- Understanding of local expectations
- Understanding of the different cultures of the stakeholders involved in the process
- Honouring agreements made as a group until the end of the process
- Having all parties managing the same technical concepts
- Improved awareness of environmental issues
- Training and motivation of specific parties who will have to implement new ways of working
- Development of good personal relationships.

What didn't work?

- The development of high expectations which were hard to fulfill
- Short time lines for complex processes
- Lack of communication among stakeholders
- Lack of commitment of certain parties to the process
- The absence of decision-making processes
- Changes in people or attitude among those representing stakeholders in the course of discussions
- Misunderstandings among parties
- Conflicts within stakeholder groups (e.g. conflicts inside a company)
- All encompassing, non-binding, principle-based initiatives, may have limited value.

Lessons Learned

- A key challenge is the willingness of all stakeholders to reach negotiated outcomes or agreements.
- Basic information is an essential starting point so that the affected participants can even know what questions to ask. This is an essential building block in any attempt to include the community in decision making in matters affecting the community's well being. The process should define where information can be obtained about specific issues.
- Transparency in the process is important, both at negotiation and at monitoring stage.
- Each party should develop a vision of the results they expect from the process.
- The consultation process is an important tool that needs a sound methodology to yield results.
- Legal, policy and institutional frameworks should provide clarity and transparency regarding expectations and obligations to consult and involve the community.
- Achieving consensus requires an integrated approach and avoidance of a narrow mind set. It is helpful to call for input and participation of multi-disciplinary professionals. An environment of trust, credibility and understanding needs to be developed in each negotiating group.
- Often it is in direct company/community engagement that real progress can be made. However these processes may be enabled and facilitated by government.
- The prospects for multi-stakeholder initiatives vary across the region. Different challenges will be encountered depending upon local traditions and realities.
- In some countries, the practice is to bargain based on positions rather than on underlying interests, under the presumption that outcomes are only win/lose propositions.
- Often there is no tradition of companies consulting with communities, only with governments, although it is between companies and government that "deals" need to be struck. Government is often the weaker partner in that relationship.
- Cultural diversity is extensive.
- It is important to recognize that different stakeholders have different time lines and learning curves. Communities lack the capacity to negotiate, have limited access to information, and lack the means for accessing it. Efforts should be made to build capacity to negotiate in the communities.
- Stakeholders should be trained in how to participate in consensus processes, in negotiations, in managing cultural differences, etc.
- A regional perspective tends to be more fruitful and representative than a strictly local one.
- The size of the project should condition the size of consultation process.
- Mechanisms to implement agreements are required.

Further Comments by Participants

- It was noted that most companies have little experience with this kind of process, and there is generally not a tradition of trust in this sector. It takes time to build a space where it is safe to talk to each other. Stakeholders tend to view this type of experience as a risky proposition. A challenge for mining companies is to establish their credibility.

- Junior companies, which are a strong part of Canada’s presence in the Americas, operate in a different way, and need to react quickly to new opportunities. How to adapt the multi-stakeholder process for such companies is a special challenge.
- There is a need to consider the appropriate roles of the public and private sectors. Public sector involvement in mining has not been successful. With privatization, the concern is how to ensure that private enterprise is socially and environmentally responsible. Governments should provide regulations for the process to work properly.
- Most of the experiences shared are fairly recent, so it is difficult to draw firm conclusions. We need more time to build a thorough understanding of what works and what doesn’t work. Building trust is not just building a good climate for dialogue. To develop trust, we must see changes in behaviour over time, which reflects understanding of other stakeholders’ needs.
- The capacity of different stakeholders to participate in the process remains unequal, and needs to be balanced. We have to remember that communities don’t have the same capacity to react as other agents. Efforts are required to increase that capacity. At the same time, the government should institutionalize processes of dialogue in sectoral regulations and policies.

Evaluation

The session concluded with an evaluation of the day. What follow are some of the points made by participants:

- We have learned a lot about the experiences of other countries: “If I had to leave today, I would feel very satisfied.”
- Dialogue is key and it is crucial that we participate in it, in each of our countries. We are here not to question mining but to question the way in which it is carried out. We have all been witnesses to environmental disasters linked to Canadian companies. We should immediately take measures to prevent such disasters.
- We are all being challenged now by a cultural shift. We should not confuse the process with the product. Let us focus on the process now to improve the results we will achieve. We need to *adapt* to the needs of others and to *adopt* new positions that are more constructive and less confrontational.
- As a representative of the communities of Peru, I came here with lots of anxiety because we have traditionally been ignored in mining processes and laws. We have been misrepresented by agents who did not even consult with us. Today, I feel that we are being listened to. I am happy to see that there is room for dialogue and that understanding can be reached.

Monday June 29th

Three case studies were presented: Doug Horswill on the Red Dog Mine in Alaska (doug.horswill@cominco.com), Arelis Rodriguez on the Falconbridge Foundation in Dominican Republic (falcon.dominica@Codetel.net.do) and Réal Lavergne on IDRC's Mining Policy Research Initiative (MPRI) (rlavergne@idrc.ca).

The Red Dog Mine is an example of a partnership involving a mining company (Cominco) and an indigenous community (the Nana). A particularity of this case is that the mineral rights belong to the community. The community is a major shareholder of the mine, and will receive an increasing share of the profits over time, rising to 50%. A major concern is to secure sustainable livelihoods for the community. The focus has been on the creation of employment, education, construction of infrastructure, and encouragement of off-site business partnerships. Three hundred and sixty three jobs have been created for members of the community, amounting to one half of the total. A publication about the Red Dog Mine was distributed the following day.

The Falconbridge Foundation is an example of the corporation assisting communities in achieving a range of social and environmental goals. Although Falconbridge has been working in the Dominican Republic for 42 years, the decision to become involved in community development was made only in 1989. Five million dollars have been invested so far, 56% of this in education. The aim is to promote long-term development in the area surrounding the mine.

The MPRI was described as a multi-stakeholder initiative of IDRC, which would build on IDRC's tradition of support for researchers in Latin America, while reaching out to other stakeholders through increased emphasis on networking and partnership. MPRI seeks to improve the information and knowledge available to all parties in the mining process. A package of information was distributed to all participants. Detailed information on MPRI is available on the MPRI website at <http://www.idrc.ca/mpri>. A report on the Launch Meeting of MPRI which followed the current meeting can be obtained by clicking on the news page for June, at <http://www.idrc.ca/mpri/news.html#June 1998>.

Each of the presenters used overhead slides. Participants who wish further information or copies of the overheads are requested to contact the presenters directly.

Discussion

Discussions centred on the ownership of the Red Dog mine, Cominco and Red Dog's environmental record, and the long-term consequences (how will responsibility for closure and reclamation be shared when the mine closes?). There was also interest in the role of the state in both Alaska and Dominican Republic. The importance of the social impacts of mining was stressed in all of the discussions, ranging from the difficulty of gathering and analyzing social data, to the difficulty of sensitizing companies (especially exploration companies) to these issues.

Group Exercise: Dancing to the Rhythm

Juan Arce, one of the Peruvian facilitators, made an introduction of about 15 minutes in which he explained what a vision is, how to build it, what it implies and what it commits its “visionaries” to do after building it. To build consensus, we need trust. People arrive at consensus processes with different agendas, interests, backgrounds and rhythms. This exercise was intended to develop a sense of community among the participants.

Participants were asked to stand up next to each other in a large circle. Background music was very soft. Participants were requested to close their eyes and to start moving to the music at their own pace. Then the facilitator asked the group to take a step forward. This brought the people closer together in the circle; they started to feel the rhythm at which their neighbours were moving. People joined hands and continued dancing and afterwards they were asked to greet one another and give each other a hug.

Although this was not an experience one might expect in a workshop on mining, the ease with which people participated demonstrated their openness to risking new ways of relating to one another.

Shaping a Vision for Mining and Sustainable Development Toward 2008

The last session of the workshop was dedicated to shaping a common vision of what is needed for mining to act as a catalyst of sustainable development in the decade ahead.

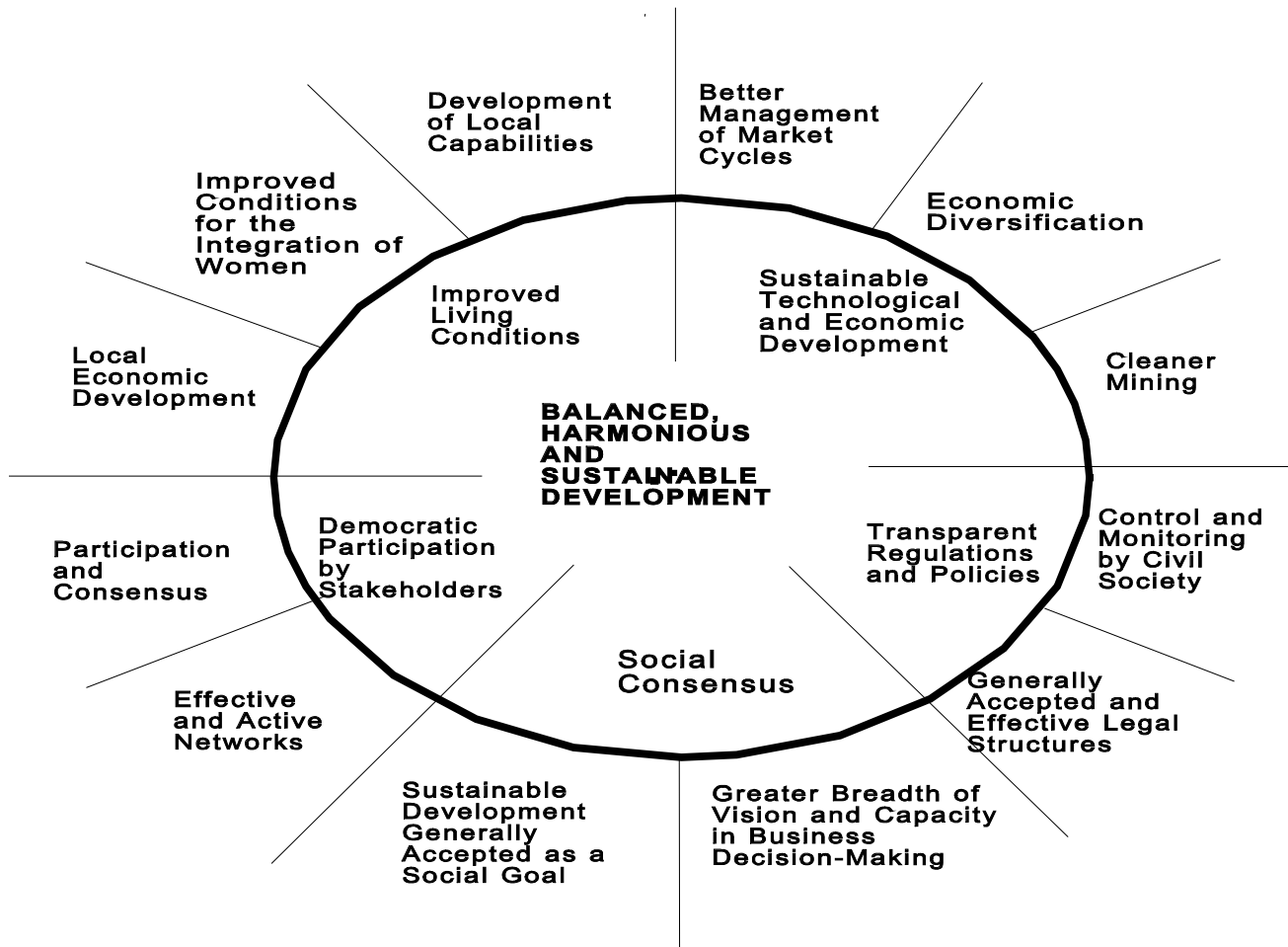
The first step was to break into groups and to write on cards as many ideas as possible about the results one would like to see for Mining and Sustainable Development in the Americas for the year 2008. The results were gathered and the plenary then sorted and grouped the cards into 12 categories. Those categories were placed along the outside rim of a circle.

The group then worked on defining what objectives these 12 categories of results could be seen to represent. They came to five such objectives. The next task was to break up into groups again to define the actions that would be required to pursue these five objectives. The groups were also asked to propose a general statement of a common vision. This was later discussed in the plenary.

The facilitators asked for the names of people who would be interested in pursuing discussions following the workshop under each objective. Twenty six people put their names forward to pursue further work on the different objectives identified, testifying to the degree of interest which emerged from the workshop.

The following diagram illustrates, in three concentric circles, the vision developed by the group. The outside circle contains the 12 categories of results which are sought. Inside that are the five objectives which correspond to those results, and the central vision statement, expressed as: “Balanced, Harmonious and Sustainable Development.”

VISION TOWARDS 2008 MINING AND SUSTAINABLE DEVELOPMENT



The five objectives are listed below along with the desired results to be pursued under each one, and the names of those indicating an interest in further work. Details of the actions corresponding to each category of results are listed in Annex 2. It was agreed that Nola-Kate Seymoar of IISD would continue to co-ordinate these activities and that IISD would set up an electronic conference for the five working groups. Each participant would work in his or her own language and the onus for translation would rest with the receiving party.

Strategic Objective 1: Improved Living Conditions

Working Group

- Octavio Lopez (Government, Dominican Republic)
- Jose de Echave (NGO, Cooperación, Peru)
- Cristina Echevarria (Academic, Universidad de Antioquia, Colombia)

- Pedro Gomez (NGO, CEPROMIN, Bolivia)
- Patricia Amat y Leon (NGO, women miners, Peru)

Desired results

- Local economic development
- Improved conditions for the integration of women
- Development of local capacities

Strategic Objective 2: Sustainable Technological and Economic Development

Working Group

- Juan Aste (NGO/Research, ECO, Economic Research Group, Peru)
- Alfredo Silva (NGO, ICTID, Peru)
- Ivan Merino (NGO, Centro Bartolomé de las Casas, Peru)
- Diogenes Uceda (Private Sector, Falconbridge Dominicana, Dominican Republic)
- Gildo Sa Albuquerque (Academic/Research, CETEM, Brazil)
- Fernando Urquidi-Barrau (Private Sector, Minera Paititi, Bolivia)

Desired Results

- Cleaner mining
- Economic diversification
- Better management of market cycles

Strategic Objective 3: Transparent Regulations and Policies

Working Group

- Roberto Villas-Boas (Academic, CETEM Centre of Mining Technology, Brazil)
- Angel Franco (Government, Ministerio de Energía y Minas, Venezuela)
- Arelis Rodriguez (Private Sector/NGO, Falconbridge Foundation, Dominican Republic)
- Guido Marinez (NGO, CEPROMIN Bolivia)
- Janet Stephenson (Government, Natural Resources Canada)
- Jim Rader (NGO, Codevelopment, Canada)

Desired Results

- Generally accepted and effective legal structures
- Control and monitoring by civil society

Strategic Objective 4: Social Consensus

Working Group

- Ivan Valenzuela (Private Sector, CODELCO, Chile)
- Rick Killam (Private Sector, Placer Dome Latin America, Chile)
- Ian Thomson (Private Sector, Consultant, ITC, Canada)

Desired Results

- Sustainable development generally accepted as a social goal
- Greater breadth of vision and capacity in business decision-making

Strategic Objective 5: Democratic Participation by Stakeholders

Working Group

- Josefina Ulloa (NGO, Movement of Working and Unemployed Women, Nicaragua)
- Fabian Sandoval (Multilateral, Consultant, World Bank, Ecuador)
- Roberto Bazzani (Research, IDRC Latin American Office, Uruguay)
- Iran Machado (Academic, Universidade Estatal de Campinas, Brazil)
- Real Lavergne (Research, IDRC, Ottawa Office)
- Louis Guay (Private Sector, Genel, Dominican Republic)

Desired Results

- Participation and consensus
- Effective and active networks

Plenary Session: FINAL EVALUATION AND FOLLOW-UP

Here are some of the comments made by participants in the closing session:

- The process was highly participatory. There was a sharing of ideas and experiences.
- We have made new friends.
- We created a micro-cosmos of the mining sector and replicated the situations that arise there.
- We have enriched ourselves with other's experiences, learned from different points of view.
- The approach used enabled us to reach conclusions quickly.
- The process made us feel more comfortable with each other. A feeling of trust was developed. A feeling that it is possible to unite under a common denominator.
- Not everything is positive, we have heard Shell's experience, COMINCO's experience, the experience of an enterprise that runs an NGO (Falconbridge), but we didn't put forward experiences of communities. It would have been extremely interesting to listen to Shell's presentation followed by a presentation of the communities involved in that project. Listening to the communities would have brought up different issues. This should be kept in mind for future workshops.
- From the representative of the World Bank. It is a sign of how much goodwill there was in this meeting that even the World Bank was not subjected to abuse. This is very unusual!
- The concept of mining and sustainable development raises challenging, high expectations.
- Although we would have liked to have a stronger presence of the Peruvian private and government sectors, the group here is like a small sample of the world: we have the World Bank, enterprises, communities, NGOs, researchers, etc. If it works here, it can work in the real world.
- We all come from different sectors but we reached consensus: we all have to change for mining to generate sustainable development.
- The workshop was generally well run. However, it is not appropriate to speak of a "consensus," since some different positions and points of view were left out.

- Information about this event should be disseminated. A press release should be issued.
- When you feed yourself, you have to feed the others. We commit ourselves to disseminating what we have learned here as part of the public sector modernization process of the Dominican Republic.
- The list of participants is very important, we have built a network of contacts that can help in our activities.
- In Centro Bartolomé de las Casas, 25th anniversary in October 1999, they will have a conference to celebrate the occasion that will cover these same topics. All participants were invited.
- Use this new knowledge to do things better, use the people to help. In the case of Peru, we have met lots of people with whom we should build bridges.

Closing Comments: Nola-Kate Seymoar

We have identified groups of people to work together but how will we communicate? IISD will post the meeting notes and the list of participants on IISDnet (<http://iisd.ca/>). This site will also be linked to the research sites on the Internet: IDRC's MPRI site and MERN's site in the UK. Brian Chambers at UNCTAD also has a Web site. Many people couldn't come because we were oversubscribed, but they are willing to be part of the working group. We will include them in a supplement to the participants list. IISD will follow up the event and send a synthesis of the workshop results to all participants.

In closing Nola-Kate thanked all of the GRADE staff and IDRC people who had helped so much with the organization of the meeting. She pointed out that this is one of the first times that IDRC and IISD have worked so closely together. She then called on a round of applause for the four facilitators, those who had presented cases during the workshop, and for the translators. The final thanks went to those who helped fund the conference, IDRC, the Canadian government (the Department of Foreign Affairs and Natural Resources Canada), Placer Dome and those participants largely from the private sector who covered all of their own expenses. Thanks to everyone for participating and making such valuable contributions. We are looking forward to continuing to build on our common experiences.

ANNEX 1: CASES OF MULTI-STAKEHOLDER DIALOGUE IDENTIFIED BY THE WORKING GROUPS

GROUP 1

Pocone Project, Pantanal Matogrosso, Brazil

Started from social pressure about the use of mercury

What worked?

- Involvement of different stakeholders

What didn't work?

- Expectations were too high; they couldn't reconstitute the area

Lessons learned

- We should not create too large expectations.

Whitehorse Mining Initiative (WMI), Canada

What worked?

- Many sectors worked together on social and environmental problems for 18 months and reached a consensus statement on principles.

What didn't work?

- This was a large all encompassing, non-binding, principle-based initiative. Not all goals were reached, expectations were too high, there was little follow-up, and follow up was not documented.

Lessons learned

- To manage expectations, if possible within multi-stakeholder approach
- To improve follow up communications and documentation
- To focus on practical actions not just principles

Community consultation process, Cerro de Pasco, Peru

Objective was to listen to what the community had to say

What worked?

- Participatory approach, self-diagnosis
- Different sectors participated.
- Community participation methodology

What didn't work?

- Consolidation of inter-continental linkages
- Communication with mining enterprises
- No decision-making model was established for the community

Lessons learned

- To manage expectations
- To acknowledge local capacities and needs

National consultation process for building environmental regulations, Ecuador

What worked?

- Invitation to mining companies accepted

- Awareness of environmental problems and the need for solutions
- Large participation achieved

What didn't work?

- The influence of politics in previous phases of this process

Lessons learned

- Who calls for participation? It is very important to have the right convenor.
- Operational aspects are also key, i.e., co-ordination, facilitation
- Appropriate timing of the consultations

Women miners association, Oroya, Peru

What worked?

- The projects implemented in the area are still functioning (i.e., education, reproductive health, credit).

What didn't work?

- The lack of participation of one women's organization

Lessons learned

- They learned about the strength and organizational capacity of women.

Los Rojos Cristinas Project, Venezuela

What worked?

- The relationship between the community and the company was stable.
- Worked with external facilitators
- Joint activities
- They established concrete plans

What didn't work?

- The lack of participation of certain groups (i.e., government)
- Timing, as related to people's expectations to go faster

Lessons learned

- Learning curves are different for all participants: companies, state, community.

Altiplano Project, Bolivia

What worked?

- The establishment of personal relationships
- Transparency in the process
- Enough time to build trust among participants

What didn't work?

- Designing a timetable

Lessons learned

- The process of understanding the position of other stakeholders and their different points of view is actually a risky process which demands investing a lot of time.

Mining Triangle Project, Nicaragua

This project focused on consolidating the community.

What worked?

- The process went down to community plans.
- The community played an active role.

What didn't work?

- Changes in enterprise staff
- Changes in community representatives
- Lack of understanding among participants

Lessons learned

- The relationship between “mining” and “third parties”

GROUP 2

Support to Public Schools by Falconbridge, Dominican Republic

What worked?

- Involvement of the community including parents, teachers and students together with the private sector

What didn't work?

- The government let go of its role in education and left it to Falconbridge in the provinces involved.

Lessons learned

- Roles of the different parties must be clearly outlined.

Gold and Decorative Rocks, Brazil

New regulations in place as a result. Decorative rock activities were legalized. Decrease in the use of mercury. Reduced environmental impact. Working conditions improved, implemented the use of safety equipment. Better product quality. Created awareness about the use of mercury. New technology for the recuperation of mercury.

What worked?

- Participation of different stakeholders: municipalities, government, gold buyers, technology centres and “garimpos” (informal workers)

What didn't work?

- The lack of flexibility of the parties to negotiate
- Lack of institutional support

Uranium Mines, Colorado, USA

Conflict among company and 12 NGO groups. Agreement reached with 10 of those. Mining practices were improved, reducing environmental impacts and creating research about forestry in high lands.

What didn't work?

- Changes to previous agreements were made without letting stakeholders know.

Lessons learned

- It is hard to reach agreements if parties are not flexible enough to negotiate.

- It is important to have institutional support more than the support of specific people because changes in personnel affect the project.
- Research brings permanent benefits.

Camisea Gas, Peru

Specific changes were made to operational plans as a result of negotiations.

What worked?

- The call for participation of NGOs, communities and local governments
- Basic information was made available to all interested parties.

What didn't work?

- Time frames and deadlines were too tight.
- Some organizations were not well represented; the leaders were not good representatives of their sectors.
- Some agents in the negotiation processes were not transparent; they were defending their own personal interests.

Lessons learned

- Interests must be homogeneous.
- Transparency in the process is important.
- Stakeholders should be financially independent to be able to make proposals.

Use of Retorts in Small Exploitation of Gold

Retorts are special devices used for the absorption of mercury. The Ministry of Mining agreed to its use, authorized it and made retorts available to different mining work sites.

What didn't work?

- Lack of motivation/training for workers to use the retorts.

Lessons learned

- Need training and motivation for introducing changes.
- Need to involve all interested parties (miners, enterprise, government, NGOs, church) in the process.

Gold Exploration and Relations with the Community, Costa Rica

What worked?

- Developing relationships between government and communities. Fighting bad propaganda from opposition.

What didn't work?

- Different divisions within the enterprise were in charge of different important aspects of the business. The technical division was in charge of the exploration itself while another division looked into relations with the community.

Lessons learned

- There should be one responsible representative of each agent in the process.
- Enterprise should consider local expectations; those should be clarified at the beginning.
- Enterprises should consider both the technical and the social dimensions.

Communications, Mine El Limon, Nicaragua

The company cut the allowance that goes to the workers' wives, for feeding the children. That created conflict with the women. The company was not flexible enough to negotiate. The women in the community appealed to the Canadian company and negotiated with them. Human Resources finally understood the situation and went back to retaining the allowance from the workers salaries.

What didn't work?

- The lack of understanding of the situation on the enterprise side and their lack of flexibility to negotiate

Lessons learned

- Need to negotiate and to acknowledge the differences with the other parties
- Different stakeholders have different negotiation styles.

Company and Community, Zinc Mine San Gregorio, Cerro de Pasco, Peru

A private enterprise wanted access to work in territory owned by several communities.

What worked?

- Involvement of the different stakeholders

What didn't work?

- Change in the structure of the players. Some organizations left the negotiations.
- Lack of technical expertise in the government and in the community.
- Lack of focus on environmental impact.
- Lack of access to information

Lessons learned

- The community - as an important player - must define its priorities for development before negotiating with the enterprise.

Creation of a Strategy for Sustainable Development in Canada, Ministry of Natural Resources, Government of Canada

What worked?

- Consultation process among different groups
- Action ability of discussions

What didn't work?

- Lack of transparency of certain stakeholders, lack of credibility
- Many recent mining approvals have resulted in litigations challenging the adequacy of environmental and social impact assessments. This would indicate a serious gap between the strategy and its implementation.

GROUP 3

Prior Consultation Process for Indigenous Population, Columbia

Consultation must take place prior to any legislation, policy or project development that affects indigenous livelihoods or lifestyle. Premised on, and as a response to, legal and constitutional recognition of rights

Lessons learned

- May have applicability (transportability) to a broader base of "public" in the society and their need to be consulted/participate in decisions affecting them

- The exchange of information is two way - both becoming informed, and an opportunity to inform as to aboriginal indigenous perspectives (extensive slides provided)

Peru 2020

Social responsibility business initiative in Peru to begin developing a vision internally within corporations for “social responsibility” and opening up connections and involvement with the “communities” in which the company does business

Challenge

- Peru tends to have a fragmented society, with low levels of participation - involvement is not as high an expectation as it may be elsewhere
- Business generally does not have a strategy for involvement beyond achieving a vision focused on profits
- Committed leadership - a “champion” may be a key element in building momentum. Also information on social variables measurement and recognition as a value will reinforce leadership initiatives.

3. Inuit/Inco, Labrador; Voisey Bay

Challenge

- The nature of the “ability to consult” and the role and obligation of government has not been clear and this has led to difficulties in reaching outcomes.

Peruvian Mountains; State Company Being Privatized

High environmental costs as a result of past practices have required “splitting up” the state company with high unemployment as a result.

Goal Develop “Leadership for change”

Challenge

- Responding to the high unemployment has been made much more difficult due to a lack of information in terms of the social consequences; economic circumstances of the companies and market prospects; and environmental impacts
- Difficult to recruit worker participation

GROUP 4

Initiative 199 of Mining Industry, Canada

Multi-stakeholder process. 16 meetings in 18 months. Use of facilitators

What worked?

- The learning aspect of the experience for all the participants
- Several stakeholders participated
- Basis for dialogue
- In terms of process:
 - ◆ To build bridges with other actors/sectors
 - ◆ contributions of the “environmentalists”
 - ◆ To involve local authorities to define objectives and reach consensus
 - ◆ Participation of local communities, immigrants, miners, communicators, NGOs, scientists

What didn't work?

- Lack of an implementation plan
- Lack of an independent body (secretariat)

Lessons learned

- Good environmental practices
- Establishment of decision-making processes

New Regulations, Dominican Republic

Chamber of Mines, aiming for national consensus about mining policies and to show good will to respect good practice

Lessons learned

- Need implementation mechanisms
- Need pro-active participation of private sector

Diamond Mines in South Africa

To be closed in 10 years. 60,000 people. 2 diamond mines. What are the alternatives for sustainable development?

What worked?

- Building a dynamic consultation process
- Institutional mechanism for decision-making and monitoring

What didn't work?

- It was difficult to obtain resources: time, money, professional staff.

Lessons learned

- This was a pilot model for regional development that worked and can be repeated in other places.

Reform of Mining Regulations, World Bank, second generation reforms

What worked?

- Increase in investments

What didn't work?

- It was hard to fulfill social demands.
- Lack of government participation

Lessons learned

- Need to build negotiation capacity
- Cross-cultural approach is necessary

Negotiation and Decision Making Round Tables, Bolivia

What worked?

- Participation of different stakeholders

What didn't work?

- Lack of participation of regional governments

Identification of key concepts for cross cultural understanding, Nicaragua

What worked?

- Participation of different stakeholders

What didn't work?

- Lack of participation of regional governments

Christmas Massacre, Amaya Pampa - Capacica (Yamin Ltda), Bolivia

What didn't work?

- Lack of agreement for decision making.
- Mining regulations approved without input of mining workers
- Large government interests

Lessons learned

- Need to build direct contact with smaller miners and peasants, although it adds complexity to the process

National Reserve, Vicco, Cerro de Pasco, Peru

What worked?

- Experience in negotiation processes

What didn't work?

- Agreements in Peru forbid respect for the communities
- Community leaders had legal processes underway.

Lessons learned

- Need transparency in the process

Inti Raymi and other Experiences, Bolivia

What didn't work?

- Lack of trust among parties
- Information is not transparent

Church involvement in Influencing Mining

Social responsibility. Workshop of several stakeholders. Survey of working conditions. Social dialogue

What worked?

- The corporate sector was very open
- Dialogue was very well accepted
- Companies presented an environmental plan

What didn't work?

- Tradition of conflict instead of tradition of cooperation
- It is difficult to set a strategy
- No real commitments

Lessons learned

- It is important to have support of the leaders

ANNEX 2: PROPOSED ACTIONS FOR MINING AND SUSTAINABLE DEVELOPMENT

STRATEGIC OBJECTIVE 1: IMPROVED LIVING CONDITIONS

A. Local Economic Development

- Identification of local competitive advantages
- Design and execution of agreed efforts between government, enterprise and community for education, training and technical assistance
- Infrastructure
- The community to provide services to the enterprise and the community itself
- Diversification in the production
- Access to credit and financing
- Access to markets (beyond the community)
- Fiscal decentralization

B. Improved Conditions for the Integration of Women

- Participatory Research: Women's Situation in Latin American Mining
 - Their participation in the work-force
 - Their participation in the negotiation and decision making processes of the community
 - Gender situation: health, violence, family life, education, economic condition, relationships
 - Share progress and results through exchanges among interested groups and countries
- Capacity Building
 - Leadership capacity: self-esteem, negotiation, lobbying
 - Training in environmental issues
 - Training in "macro" issues: globalization, investments, international agreements and treaties, legislation, etc.
 - Promote access of young women to technical training in the mining sector: management, mechanical engineering, administration, etc.
- Promotion
 - To be recognized as defenders of the environment
 - Active presence of women in networks, campaigns and media related to mining and sustainable development
 - Lobbying with national political players
 - Actions to improve their quality of life: household, urban infrastructure, access to education and health services
 - Access to resources and to the management of their own economic initiatives

C. Development of Local Capacities

- Organization
 - To strengthen the capacity of the communities in self-organization, in negotiations and in conflict resolution
- Training
 - Identify the training needs
 - Strengthening at different levels
 - Training to allow the community and the local authorities to perform environmental monitoring
 - Build capacity among local NGOs for them to join the communities in these processes
- Research
 - To build methodologies to achieve active and participatory involvement of all local players
 - Research for prevention and mitigation of impacts
 - Establish a territorial order of the local community which incorporates local knowledge
 - Identify activities for young people to contribute to the community
- Financing
 - To achieve access to local and external funding

STRATEGIC OBJECTIVE II. SUSTAINABLE TECHNOLOGICAL AND ECONOMIC DEVELOPMENT

A. Cleaner Mining

- Use of environmental management systems
- Promotion and use of cleaner technologies
- Base projects upon the principles of cleaner production
- Strengthen the institutions that perform control and monitoring of social aspects
- Access the environmental information handled by the private enterprise regarding specific projects
- Reduce the consumption of energy and materials

B. Economic Diversification

- Improve the efficiency of the recuperation of sub-products
- Research and adoption of new technologies to improve extraction and transformation
- Research for new uses for metals
- Increase geological exploration
- Broaden lines of production
- Search for new technological niches based on competitiveness (i.e., use of biotechnology)

C. Better Management of Market Cycles

- Creation of protection/compensation funds based on profits/royalties
- Monitoring of international markets
- Vertical integration of mining

STRATEGIC OBJECTIVE III. TRANSPARENT REGULATIONS AND POLICIES

A. Generally Accepted and Effective Legal Structures

- Training for the government (officers and legislators)
- Generate and/or strengthen dynamic (agile) state institutions
- Motivate legislators to establishment normative structures for mining
- To broaden and to modernize the mining regulations according to the reality of each country
- To organize international dialogues
- To exchange among different countries the different regulation experiences
- To establish local agencies to supervise compliance with regulations

B. Control and Monitoring by Civil Society

- Public entities to prepare monitoring reports
- To train community leaders in mining issues
- To organize workshops to promote dialogue and consensus between government, civil society and the community
- To get financing for monitoring action by civil society (i.e., for environmental impact studies)
- Enterprises to be explicit about the social and environmental issues in their feasibility studies

STRATEGIC OBJECTIVE IV. SOCIAL CONSENSUS

A. Greater Breadth of Vision and Capacity in Business Decision Making

- Emphasize the cost of status quo, "status quo, no go"
- Increase awareness of new realities
- Identify all stakeholders
- Contribute to the creation of consultation processes
- Redefine values and build shared vision
- Ensure higher management (corporate leaders) support ("walk the talk")
- Mobilize industry associations to support change (multiplier)
- Report progress and generate feedback
- Get third-party corroboration of progress

B. Sustainable Development Generally Accepted as a Social Goal

- Corporate commitment to social responsibilities
- Establish formal and sustainable means of dialogue with all stakeholders input

- Prioritise stakeholders.
- Share information with stakeholders
- Co-design participatory mechanisms for consensus building
- Define implementation plans
- Establish measures for performance
- Third-party socio-economic study of areas impacted (baseline and at different stages of project development)

STRATEGIC OBJECTIVE V. DEMOCRATIC PARTICIPATION BY STAKEHOLDERS

A. Effective and Active Networks

- Promote meetings, exchange of experiences, conferences among different stakeholders, national and regional
- To implement electronic fora (general and specific, national, regional and international)
- Develop databases (user specific for community, NGOs, researchers, etc.)
- Develop networks (NGOs, researchers, decision makers, entrepreneurs, community)

B. Participation and Consensus

- Local and national discussion and agreement roundtables
- Norms to regulate participation in investment projects
- Norms to regulate participation in policy making
- Economic incentives to motivate participation
- Include courses about social issues in the curriculum of engineers and mining technicians
- Provide and develop services of mediation and conflict resolution