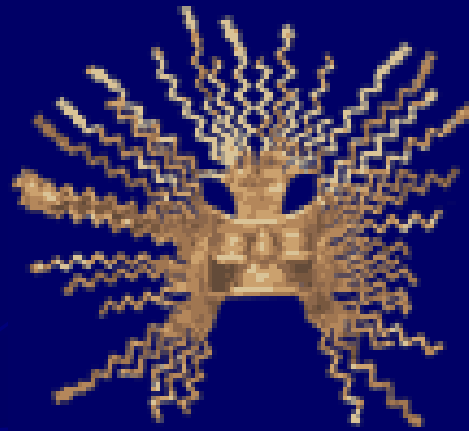


ECUADOR





Mining and Communities. The Ecuador experience.

Jorge Paz Durini
President, ECPECC
Mining Committee

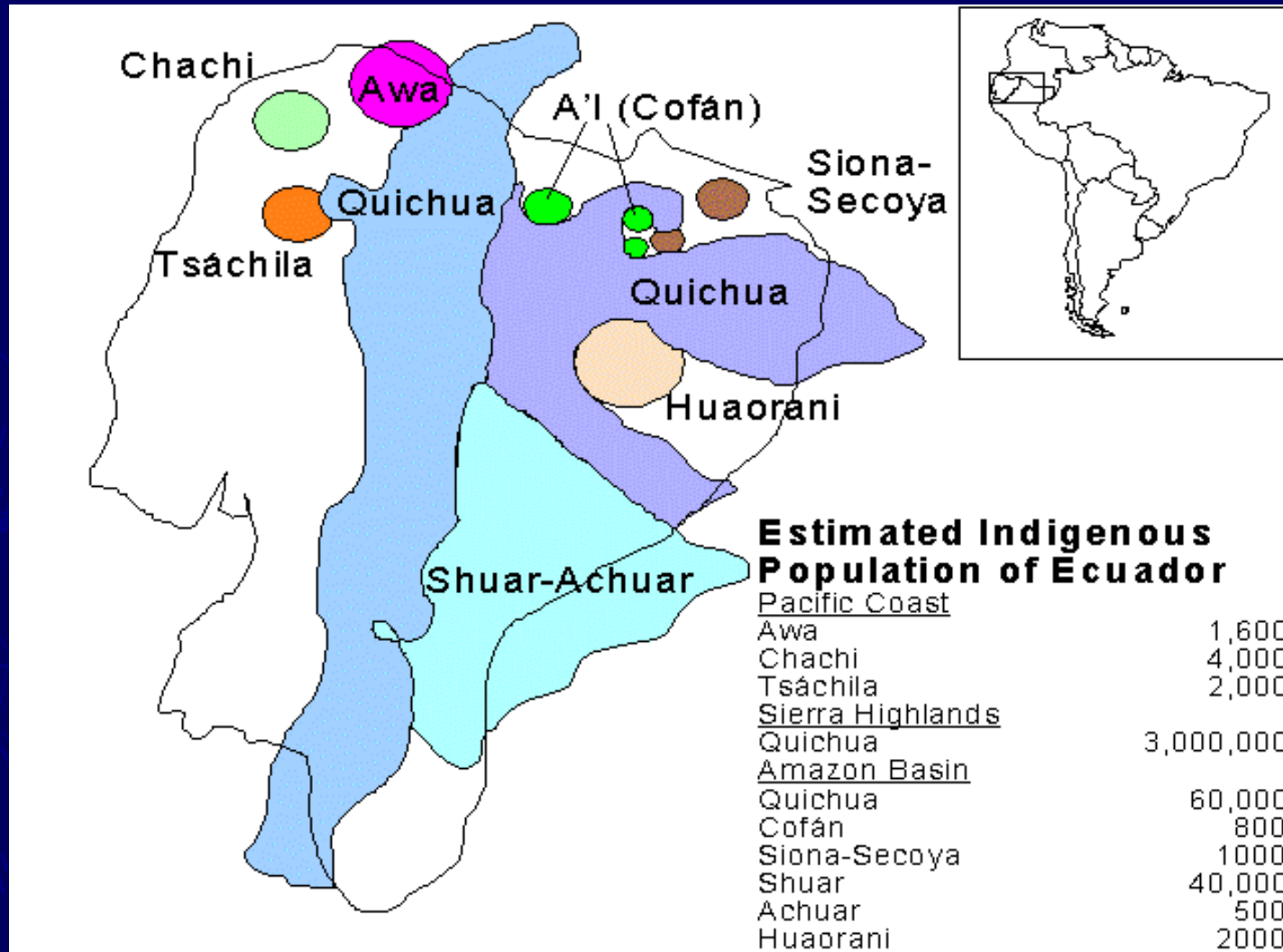
Ecuador

General Information

- **Location:** Ecuador is located on the western coast of South America
- **Area:** 270,670 square kilometers
- **Population:** 12.2 Million people
- **Official Language:** Spanish
- **Composition of population:**
 - 65% mestizo-caucasian
 - 22% Amerindian;
 - 3% Black
- **Geologically:** Part of the South American metallogenic belt.



Indigenous People in Ecuador



Ecuador

National Parks



Mining and Communities

A Relationship in Permanent Development

- Gold and Silver mining exist from times before the Conquest from Spain 500 years ago.
- Large scale mining , does not exist in Ecuador.
- Only small scale mining experience is know.
- Exploration efforts in past years, are principal source of experience.
- Increasing level of organization and awareness on the communities about their rights.
- Communities more interested in long term development and return from emigration.
- Mining rights and community interest, often with difference objectives.

Mining Concession

- A right, independent from the ownership of land.
- Coverage: areas of up 5,000 hectares per concession, no limit of number of Concessions.
- Granted for a term of up to 30 years renewable.
- A mining Concession confers exclusive right to prospect, explore, exploit, benefit, smelt, refine and trade all mineral substances on the area and include authorization to install and operate processing plants, smelters and refineries.
- Holders of mining concession titles may built and install buildings, camps, storage areas, pipelines, pumping stations, conveyors, maintenance shops, electric lines, reservoirs, communications systems, roads, railroads.

Obligations to Concessionaire

- To apply mining standards and industrial security of its country or origin.
- To perform their work by methods and techniques that minimize impact on environment
- To file EIS, which requires:
 - Information about the communities.
 - Different levels of information or participation of communities
 - To submit annual environmental audit reports about activities.
- Bonds to assure compliance with environmental impact study should be filed.

Community Rights

Fast Development

- In 1994 first recognition that government shall promote and privilege information and participation of communities.
- Mining Law one of the first to address requirements to enforce involvement of the communities.
- Constitution of 1998 granted the right to the communities to be properly informed and to give their criteria about any project that may affect their environment.
- The 1998 Constitution also granted Collective Rights to indigenous and afro Ecuadorian people groups.
- Consultation and involvement practices of the community with mining operation, is currently required as part of the permitting process.

Relations With Communities

Management Tools

- In 1999 The Environmental Law recognized the following environmental management tools:
 - Planning
 - Environmental impacts assessment
 - Social participation
 - Education

Relations with Communities

Management Tools

- In March 2003, an special environmental law regulated the social participation as part of the Environmental Impacts Assessment System applicable in all the country though:
 - Informative Meetings (RI)
 - Participative Workshops (TP)
 - Public Information Centers (CIP)
 - Public Audience (PP)
 - Web Page

Social Participation Objectives

- To inform communities, gather their criteria specially from the population directly affected by a new project, consider their points of view.
- Community criteria may become obligatory if it is technically and economically feasible.

Building a Successful Relation



SHORT PERIOD BIG STEPS

From Unfair to Win - Win Situations

Levels of relation	Methodology	Risk level	Success level
Just Labor	Simply hire labor force from local communities	High source of conflicts	Not in use currently.
Protection Give and take The mirror approach	Initial studies of local situation, evaluation of needs. Basic agreements as a way to fulfill fundamental needs not provided by central government.	Lack of parameters for claims . Agreements at level of representatives only, a source of conflicts.	Partial, only as an initial step not in long term
Participation Cooperation for development of individual objectives	Detailed studies. Every case a different needs different solution. Standards exceed legal ones. Understanding mutual needs, focus in activity after mining ends.	Very reduced Ongoing evaluation of compliance of comfort levels. Individual involvement	Very high, it is a complete solution and understanding of needs based on an equal treatment between players.

Cooperation System: EMC-COMMUNITY. (SICEC)



Success stories

issues in common

- Very good knowledge and understanding of community integration, functioning, needs and their objectives.
- Nature, spotting interest and possible internal conflicts.
- Data regarding :
 - Population, composition. Basic needs. Past experiences, principal sources of income, possible future sources.
 - Governmental agencies involved.
 - Foreign aid agencies.
- Identification of objectives beyond mining operation, agreements about cooperation to develop independent projects.
- Environmental respect. High level of compliance of commitments.
- Social respect. Avoidance of interference with traditional social structures of community. (indigenous communities more fragile)
- Provide proper information, about company and project scope of work.
- Ongoing permanent relation.

Successful Agreements with the Community

- Not give and take approach but participation approach on:
 - Employment
 - Medical
 - Community development infrastructure
 - Services such as drinking water, electricity, etc.

Successful Examples

Quimsacocha.

Prior mining activity in the area was disastrous, company had to overcome opposition of community and succeeded by:

- Excellent community relation and proper explanation of purpose of work.
- Full compliance with plans and perfect site restoration.
- Employment and training programs to preserve environment.
- No big dad, approach. Hard work, good pay.
- Complete integration of activities between government agencies, company and community.
- Project became a cornerstone as example to be followed.

Successful Examples

Rio Blanco, gold project.

- Full community support obtained by:
 - Involving community in development process, a win- win approach.
 - Community employment program, rotating basis to assure full participation and no discrimination. Rotation handled and decided by community.
 - Permanent information process.
 - Support from authorities.
 - Total respect for rights if the communities.
 - Participation in joint programs for education and health.
- All pay (something) nothing free.

Agreements with the community

Conclusions

- It is necessary to recognize the education level of the community's members.
- It is necessary "to talk the same language".
- To verify the influence of third parties.
- To do a "First Diagnosis of the Situation".
- To define the Methodology.
- To develop: "creativity".
- Good Faith
- Ecuador has a great experience and expertise in developing techniques of social relationships

MINING and COMMUNITIES in ECUADOR



