

THE POWER OF DIALOGUE

Executive Summary

Building Consensus:
History and Lessons from the Mesa de
Diálogo y Consenso CAO-Cajamarca, Peru



CAO

THE OFFICE OF THE COMPLIANCE/ADVISOR OMBUDSMAN

About the CAO

The CAO (Office of the Compliance Advisor/Ombudsman) is an independent post that reports directly to the President of the World Bank Group. The CAO reviews complaints from communities affected by development projects undertaken by the two private sector financing arms of the World Bank Group, the International Finance Corporation (IFC) and the Multilateral Investment Guarantee Fund (MIGA). The CAO works to respond quickly and effectively to complaints through mediated settlements headed by the CAO Ombudsman, or through compliance audits that ensure adherence with relevant policies. The CAO also offers advice and guidance to IFC and MIGA, and to the World Bank Group President, about improving the social and environmental outcomes of IFC and MIGA projects.

The CAO's mission is to serve as a fair, trusted, and effective independent recourse mechanism and to improve the environmental and social accountability of IFC and MIGA.

For more information about the CAO, please visit www.cao-ombudsman.org

About the Mesa de Diálogo y Consenso CAO-Cajamarca

Mesa, from the Spanish word for “table,” is a dialogue roundtable: a multistakeholder system for addressing issues of common concern, and collaborating on solutions.

The Mesa de Diálogo y Consenso CAO-Cajamarca was convened to address and resolve conflicts between Yanacocha, the largest gold mine in Peru, and the surrounding communities affected by its operations. The Mesa sought consensus-based solutions under a framework of good faith, cooperation, and tolerance.

“Dialogue means: We are all different, we all have part of the answer, and together we have the solution.”

—The motto of the Mesa de Diálogo y Consenso CAO-Cajamarca

For more information about the Mesa, please visit

http://www.cao-ombudsman.org/html-english/complaint_yanacocha.htm

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Monograph 1.

The Formation and First Steps of the Mesa (2000–2003)

Monograph 2.

The Independent Water Study (2002–2004)

Monograph 3.

Independent Water Monitoring and the Transition
of the Mesa (2004–2006)

The CAO thanks David Atkins and Susan Wildau for authoring this executive summary.

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2121 Pennsylvania Avenue NW
Washington, DC 20433 USA
Telephone: 202-458-1973
Internet: www.cao-ombudsman.org
E-mail: cao-compliance@ifc.org

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Compliance Advisor/Ombudsman (CAO)
2121 Pennsylvania Avenue NW
Washington, DC 20433 USA

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FOREWORD

This series of three monographs presents more than four and a half years of work by the Mesa de Diálogo y Consenso, CAO-Cajamarca. The Mesa's efforts to foster productive dialogue between the community of Cajamarca and representatives of the Yanacocha gold mine have signified many things to its diverse participants and observers. As a forum for debating environmental and social concerns, conducting participatory water monitoring, and training participants in mediation, the Mesa has at once inspired, disappointed, and perplexed. Indeed, the distinct experiences in and around the Mesa have created a rich and complex story that we hope these pages capture.

It is not sufficient or easy to say which parts of the process succeeded or failed. In a community as multifaceted as Cajamarca, solutions are difficult to obtain. Still, the process persevered while some critics hoped and worked to destabilize it. Despite the many challenges and complexities, the CAO succeeded in bringing parties together, facilitating dialogue, and introducing tools for addressing and resolving community concerns productively.

Although these monographs are not a complete catalog of all stakeholder voices, they convey a wide range of critical perspectives. Many of the quotes, collected through frank and confidential interviews, speak for themselves. It is my hope that the critiques and reflections offered help carry forward the necessary dialogue that the Mesa has encouraged.

The CAO is proud of the Mesa's achievements and humbled by the challenges encountered. Along the way, the CAO has evolved with the Mesa, deepening our understanding of complex community-mine relationships, participatory studies, and multistakeholder dialogue. Our office carries with it many of the lessons learned from the Mesa's journey and hopes that others will consider and critique them in future dialogue efforts like the Mesa.

As we look to the future, it is evident that the challenges that face Cajamarca and other mining areas will continue to evolve. The Mesa's motto reads "*Dialogue means: We are all different, we all have part of the answer, and together we have the solution.*" In this spirit, let this story be one guidepost on the demanding road that lies ahead for all of us who seek to promote conflict resolution, accountability, and improvements in the lives of project-affected people.

Meg Taylor
Compliance Advisor/Ombudsman, The CAO

June 2007

THE POWER OF DIALOGUE

The atmosphere in the communal hall of the Peruvian village of Yanacancha Baja near the largest gold mine in Latin America, the Yanacocha mine, was energetic as the results of the environmental monitoring were unveiled. A participant raised his hand and spoke: “This is the first time anyone has taken the time to tell us about our water and answer our questions.” A cascade of questions and comments followed from other listeners and a lively discussion ensued. Many residents voiced their concerns and sought to clarify parts of the presentation they did not understand. Together, the group developed a number of positive proposals for continuing monitoring and investigating impacts.

A comprehensive dialogue process to resolve social and environmental concerns can generate substantial progress under the right circumstances.

In many ways, this presentation and subsequent discussion were milestones for the group that had commissioned the study, the Mesa de Diálogo y Consenso CAO-Cajamarca. The Mesa’s primary mission was to create a forum for dialogue between the mine and the community that would help prevent and resolve conflicts. The Office of the Compliance Advisor/Ombudsman (CAO), the independent recourse mechanism for the International Finance Corporation,¹ convened and supported the Mesa after receiving two complaints from local residents affected by the Yanacocha mine.

Over time, the Mesa would serve as a forum for advancing social and environmental concerns, conducting participatory water monitoring, and training participants in mediation and conflict resolution. The March 2005 presentation in Yanacancha Baja was a step forward in collective problem solving for the mine, the community, and the Mesa.

Solving problems collaboratively

Around the world, community groups and government authorities are increasingly entering into dialogue processes with company representatives to identify and resolve social and environmental concerns. These collaborative problem solving processes take a variety of forms, but their overarching purpose is to commit key stakeholders to work together to resolve issues through dialogue. Many believe that dialogue processes can empower communities and help resolve and prevent conflicts.

The story of the Mesa de Diálogo y Consenso has shown that a comprehensive dialogue process can generate substantial progress under the right circumstances. These circumstances vary, but at a minimum, they require a company with the will to address community concerns while maintaining economic viability, and a community with sufficient leverage, resources, and skill to move through often long and complex processes. These conditions are almost never fully present at the initiation of a process, but with skillful facilitation and commitment by the parties, they can be nurtured and developed.

The Story of the Mesa de Diálogo y Consenso

The story of the Mesa cannot be measured, appreciated, or understood as an isolated event. It takes place within a complex historical context that dates back 500 years. Indeed, the arrival of the

¹ IFC is the private sector financing arm of the World Bank Group and a shareholder in the mine.

Yanacocha gold mine in 1993 rekindled collective memory of events surrounding the Spanish conquistador Francisco Pizarro's infamous confrontation with the Inca king Atahualpa, a story of gold, power, exploitation and betrayal that took place in the central plaza of Cajamarca.

Then, as now, the conflicts of interest involved many people who lacked the skills, knowledge, and voice to engage constructively in decisions that affect their lives and their future. As one member of the dialogue table told a CAO facilitator, "I never dreamed of a situation where I could participate and people would hear me...It was beyond my comprehension."

There also were those that carried with them attitudes of exclusion, who resisted participation from those they perceived to be inferior. In this sense, the Mesa was a pattern-breaking experience that asked people to travel a road they had never taken.

The community of Cajamarca has had a contentious relationship with the mine since operations began. In the beginning, discontent was focused primarily in rural areas closest to the mine. But by 2000, protest reached Cajamarca. Early that year, thousands of people convened in the main plaza. Protestors carried banners proclaiming "*Life, yes. Gold, no*"; "*No to more mine expansions*"; and "*Clean water is a right that we demand*." The unrest intensified in June 2000, after a truck contracted by Yanacocha spilled mercury on the road between the mine site and the Pacific coast.

Amid the recurrent protest, Yanacocha proceeded with its operations and planned expansions, vigorously denying allegations of contamination, and managing conflicts as they arose in an ad hoc manner.

Such was the environment in 2001, when the CAO began its work in Cajamarca. Its involvement was triggered by a complaint from a local nongovernmental organization (NGO) following the mercury spill. Shortly after, the CAO received a second complaint alleging general environmental harm. Those complaints and the resulting dialogue process are the subjects of these monographs.

Monograph 1 traces the formation of the Mesa. Convened and supported for over four years by the CAO, the Mesa brought together key stakeholders from the mining company, the community, and government, who sought to resolve conflicts and long-standing concerns regarding the social and environmental impacts of the mine.

Monograph 2 describes the collaboratively designed and implemented independent water study, supported by the Mesa and the CAO, which generated new and trusted scientific information about the water resources in the region and mine impacts.

Monograph 3 describes the Mesa's response to recommendations of the independent water study, including the participatory monitoring program, as well as efforts to transition into a stand-alone entity independent of CAO support.

The monograph series offers insights and practical advice to those who work to promote conflict resolution, accountability, and improvements in the lives of people affected by large-scale development projects.

CHALLENGES AND LESSONS

The monographs in this series explore a range of challenges faced by communities and conveners as they worked their way through complex, multiparty dialogue processes. From these challenges, the CAO has derived a number of lessons for companies, communities, and facilitators of dialogue processes, drawn from its experiences in Cajamarca.

Specific challenges and lessons are presented in the monographs; broad lessons are summarized below. Collectively, these lessons are aimed at improving our understanding not only of the issues and complexities of the Mesa de Diálogo, but also of the factors that can influence the outcomes and sustainability of collaborative initiatives like the Mesa.

CHALLENGE 1.

Dealing with hazards and outrage

In a simple but powerful formulation, risk communication expert Peter Sandman defines actual risk as a combination of hazard and outrage: *Risk = Hazard + Outrage*. According to Sandman, when people insist something is a serious risk, they are expressing some combination of a concern (for example, this is likely to harm me) and an emotion (this really infuriates me).² Actual danger to the environment and health or people's lives results in *hazard*. When communities perceive a company or a government to be dishonest, unresponsive, or lacking moral authority, they sometimes respond with *outrage*.

For many development projects, community outrage can be greater than the actual hazard would indicate. In the case of Yanacocha, the mine/community conflict was fueled by the dual factors of hazard and outrage. These factors contributed to ongoing tension among the parties, while significantly increasing risk for the mine. Although the Mesa was successful at dealing with the hazard side of the equation, it was less able to compel the mine to address the outrage. One of the most significant factors in the controversy over the mine's plan to expand production to Cerro Quilish, a site near the city of Cajamarca, was the mine's inability to recognize and address the community outrage.

LESSONS

Successful dialogue processes must help stakeholders assess and respond not only to hazards, but also to outrage. Distinctive processes and solutions are needed, depending on which factors are driving the risk.

- **A company cannot address outrage simply by eliminating a hazard.** An effective dialogue system can help a receptive company understand the interplay between outrage and hazard, and avoid the mistake of fixing one problem to remedy the other.

² See <http://www.petersandman.com/>

- **Outrage can be the result of a discrepancy between people’s perceived risk and their perceived benefits.** At the root of the Yanacocha conflict was the perception that local people were taking on significant risks (such as negative impacts to water quality and quantity; loss of land, livelihoods, and traditional way of life; eroding social cohesion) without sharing in any benefits (such as economic and educational benefits; improved standard of living; improved infrastructure).
- **The Mesa was more effective at identifying hazards and persuading the company to take action than compelling the company to address community outrage.** Although stakeholders voiced concerns related to both the hazards they perceived and their outrage, the company sometimes addressed specific community problems without meaningfully addressing community outrage. The company often ignored or dismissed grievances, refused to engage community critics, denied any environmental harm, and reacted defensively to outrage.

Challenge 2.

Managing dividers and connectors

Dialogue processes have the potential to fuel divisions or strengthen connections in communities. Thus a roundtable or dialogue process should carefully consider how its design and implementation will affect dividers and connectors within the community.³ A collaborative process may contribute to social cohesion or further polarize parties, marginalize vulnerable groups, or spark envy, gossip, and tension.

Examples of some common dividers in dialogue processes include:

- **Clan structure or ethnicity:** A dialogue process designed by and for the dominant culture may marginalize or exclude minority groups, who may then seek to derail a process.
- **Leadership:** When dialogue processes engage local government officials without consulting traditional leaders, tension often arises. This may also be true when NGOs act as representatives of communities without full support of those communities, or when traditional hierarchies—where elders hold authority—are sidestepped by a preference for younger participants who may be more educated or physically capable.
- **Locals versus outsiders:** Suspicion or mistrust may occur if a dialogue process engages participants primarily from outside the community. This is often the case in rural areas, when dialogue processes invite urban participants to serve as environmental monitors or “outside observers.”

Examples of typical connectors in communities are:

- **Common concern for youth:** Shared concern over issues such as lack of education and work for young people that leads them to be idle or turn to illegal activity can cut across geographic and social boundaries, and serve as powerful connectors to unite different factions of a community around common concerns.

³ “Dividers and Connectors.” Issue paper authored by the Corporate Engagement Project, February 2003. <http://www.cdainc.com/publications>

- **Discovering common ground:** Dialogue processes have the potential to span social, geographical, and economic boundaries, providing opportunities to interact with opposing factions and uncover common interests.
- **Shared negative feelings or painful histories:** People may share a sense of anxiety about the environment, economy, and social structure when a company opens or closes an operation. These “negative connectors” offer insight into how a dialogue process can develop solutions for turning shared fears into shared hopes.

LESSONS

- **Identify and understand the dividers and connectors in a community.** A dialogue process should enable participants to describe what links them to the others in a group. Facilitators should inquire about the issues, ideas, histories, or assets that connect, rather than divide.
- **Include a diversity of interests in the design, implementation, and governance of a dialogue system.** These may include church groups that cross class or geographic boundaries, women’s groups, and local authorities with the standing or ability to mediate conflicts and bridge peoples’ differences. These same groups can serve as resources for identifying additional connectors.
- **Encourage competing groups or individuals to pool resources and expertise.** For example, if two universities in a community have been adversaries, contract with a team of experts from both institutions to provide technical capacity building for all participants in the dialogue group.
- **Use existing communications connectors, such as radio.** In many communities, radio is an excellent medium for reinforcing connections among people and for disseminating information to the public.
- **Engage with people who want to make a difference, including good-faith critics of the dialogue process.** Stakeholders can become disheartened by the perseverance of those who have a vested interest in sustaining conflict. A successful dialogue process can create opportunities for establishing connections with critics, and identifying people who truly seek to effect change through activities such as roundtables.

CHALLENGE 3

Assessing the historical, social, and legal context

A clear understanding of local, national, and corporate culture is important for a successful dialogue process involving communities and companies. Community attitudes in areas where mining has no history will differ from those where mining has a long history or a negative legacy, or is the principal employer.

LESSONS

- **Conduct a situation assessment before designing a dialogue process.** Interviews with community members and key stakeholders about their history, attitudes, and experiences are an important component of any situation assessment, and will help shape the structure and approach of a dialogue process.
- **Assess the cultural context.** It is important to understand the distinctive ways that stakeholders approach conflict resolution. For example, to what degree are stakeholders influenced by power, rights, and interests when attempting to resolve a dispute? Is there sufficient social capital in a community to make voluntary compliance with agreements an option?
- **Assess the corporate culture.** It is important to understand whether corporate culture and leadership are sufficiently strong. For example, does the company speak with one, consistent voice? Does it comply with voluntary agreements?

CHALLENGE 4. Balancing power

Differences in class, gender, culture, power, and geographic regions among stakeholders can hamper trust, thwart effective communication, and impede productive dialogue. While some groups in Cajamarca were savvy about negotiation, others—especially women—were intimidated and often not acknowledged when they spoke. These differences, combined with disparities in power and skill, formed a substantial barrier at the inception of the dialogue process. To bridge these divisions and enable progress on common concerns, people needed a safe space to make their voices heard, a common identity, and a sense of place.

Giving voice in this context involves helping people discover their leverage to influence social and environmental practices and governance, preparing them for engagement rather than appeasement. Through its structure, mandate, values, protocols, and capacity building initiatives, the Mesa helped provide less powerful participants the space and skills for raising concerns, making demands, and receiving responses.

From disparate beginnings, a legally incorporated, cross-cutting, and independent association of more than 50 institutions emerged, lead by a volunteer board of directors that gave voice to a wide spectrum of class, education, urban and rural space, and experience.

LESSONS

- **Building capacity for dialogue and mediation can give voice to the marginalized, enhance power, and equip communities with tools and skills to bring about meaningful change.** With these capacities, community members can engage more fully and more directly in complex problem solving around development projects.

- **A shared vision of the purpose and evolving goals of a dialogue process provides focus and cohesion.** Initially, the Mesa viewed itself as a dialogue process established to prevent and resolve conflict between the mine and the community. Through time, some also envisioned it as an accountability mechanism that could assess the mine's operations and fulfillment of specific commitments.
- **Confidence and ability to engage in dialogue is an iterative process.** In conflict situations, people are typically not able or willing to engage in constructive dialogue. Constructive dialogue occurs where there is trust and reciprocity, and where people talk while others listen.

CHALLENGE 5.

Establishing independence

In general, dialogue processes and independent technical work associated with resource development projects face an inherent dilemma. On one hand, communities expect companies to pay their way and mitigate impacts they have created. On the other hand, processes and studies paid for by companies are often viewed as lacking independence or, worse, as having been co-opted.

Three factors contributed to the Mesa's struggle to establish its independence from Yanacocha. First, the CAO—as the accountability mechanism for IFC, a shareholder in the mine—was viewed by some as part of the mine. Second, critics perceived that any dialogue process involving Yanacocha would inevitably be skewed in favor of the mine. Third, a portion of the funds for the dialogue process and independent water study came from Yanacocha. This fed a perception among some that companies can buy results, especially when they are footing the bill.

The CAO helped address these criticisms by giving the Mesa a voice in the selection of the technical study team, by being transparent about finances, and by administering funds to consultants from a neutral account that could not be controlled or manipulated by other parties.

LESSONS

- **Governance and financial arrangements must be carefully structured.** This can help create a process that will be viewed by the majority of stakeholders as independent, even when the company is a major contributor.
- **Full disclosure and transparency are essential.** The mission, finances, and institutional history of the organizations that are convening the dialogue process and managing technical studies should be disclosed publicly and communicated to participants and the public.
- **Selection criteria should be developed collaboratively.** When selecting technical experts or others who may be contracted for fact-finding or joint problem-solving, selection criteria should be transparent and developed in cooperation with all the stakeholders.

- **Trust in independence must be earned.** Regularly demonstrating and communicating how independence is being maintained can assuage doubts and prevent harmful mischaracterizations.

CHALLENGE 6. Creating leverage

Dialogue processes in which government officials participate but do not convene typically have no legal authority to force compliance and change. Authorities may welcome results and recommendations from these processes if they view them as strengthening their case for enforcement. On the other hand, authorities may resist and try to discredit the process or results if the work is viewed as competitive with their authority. Likewise, companies may embrace results when they are consistent with their understanding of impacts and mitigation measures, or they may try to discredit the process if they believe the results do not serve their interests.

Over time in Cajamarca, government authorities and the mining company expressed a range of reactions to the Mesa's approach, results, and recommendations. At times they were supportive and at times dismissive, depending on the issue and the context.

LESSONS

- **Methods for compelling compliance through institutional agreements should be developed by participants.** These agreements can dictate whether responses are binding or voluntary.
- **Lines of authority should be clearly delineated.** Participants in a dialogue process should identify the appropriate government authorities, understand their reporting lines, and establish mechanisms for how authorities and process participants can each support a common goal.
- **Methods for monitoring compliance with agreements should be created.** Participants can be informed of reasons to comply by making the incentives known to all parties, as well as the consequences of not complying. Noncompliance with agreements can lead to loss of goodwill on the part of stakeholders and generate or fan outrage.

THE MESA'S LEGACY

Dialogue processes are designed to come to an end. Nonetheless, their results, achievements, and legacies often remain well beyond the time when the process has elapsed. The Mesa experience continues to exert influence at multiple levels.

Besides influencing environmental and social practices at the Yanacocha mine, the Mesa may also have sparked debate and decision making about the mining sector both within Peru and among its international shareholders, including the International Finance Corporation (IFC) of the World Bank. The Mesa helped shape the experience and practice of IFC's independent accountability mechanism, the CAO, providing insight and guidance on how to work more effectively with communities, companies, and government. Through the Mesa, mechanisms were established that helped break negative patterns of communication that often lead to conflict. Like many other such processes, the Mesa brought new ideas and solutions that made positive differences—not only for the people of Cajamarca, but for people and communities affected by mining elsewhere in Peru.

In a time of crisis, the Mesa became a source of encouragement. It may well have helped catalyze current events in mining that are occurring locally and nationally. Today, a number of initiatives and resources have been committed for participatory monitoring programs, joint technical studies and fact finding endeavors, sustainable community development, and strategies and programs for preventing and resolving conflict.

Locally, nationally and internationally, the Mesa's legacy is evident.

Local legacies

Compelling compliance with community accords

An ongoing source of conflict—expressed by both urban and rural sectors of Cajamarca, including many members from the Mesa—was the mine's perceived lack of compliance with agreements it had entered into with different institutions and communities. To address this concern, the Mesa began tracking agreements with Yanacocha, including recommendations from the water study and water monitoring program, as well as specific claims of noncompliance brought by Mesa members.

This tracking system, promoted by the Mesa, is now being used by the local branch of the national government's ombudsman office (the Defensoría del Pueblo de Cajamarca), with technical assistance from GTZ (the German Agency for Technical Cooperation). In 2007, the mine began registering all signed community agreements with the Defensoría. This electronic information tracking system allows external monitoring of agreements and objective determination of compliance, with a timeline for implementation. Each month, the Defensoría will make public results and conclusions derived

from monitoring the accords and actions of the signatories to the agreement (both the mine and the community). The mine and the Defensoría will meet periodically to evaluate progress and ensure follow-through with implementation.

Tackling the need for positive development impacts

The Mesa was one of many voices calling for the mine and its shareholders to take more responsibility for ensuring that the environmental and social risks and benefits of mining were more equitably distributed. The Mesa acted both collectively and individually through its member institutions, urging the mine to dedicate itself to a more comprehensive development program for Cajamarca.

After years of effort from many segments of Cajamarca and beyond, Minera Yanacocha and Newmont Mining Corporation agreed in early 2007 to allocate \$45 million over the next four years for development projects in the Cajamarca region. A Technical Commission for coordination of the program has been formed that consists of the regional government, the municipality of Cajamarca, Yanacocha, and the Diocese of Cajamarca. The United Nations Development Program (UNDP) will administer the funds.

The funding will be targeted for social development projects (nutrition, education, and health), roads, water conservation programs, tourism, strengthening institutions, and capacity building. One recently launched project aims to improve basic conditions at the 400 poorest schools in the Department of Cajamarca. Terms of reference are also being prepared for several additional projects, including evaluating the feasibility of expanding the regional hospital in Cajamarca, the technical feasibility of constructing a dam on the Rio Chonta, and a comprehensive urban development plan for the city of Cajamarca.

Advancing transparency

The Mesa voiced numerous complaints regarding the mine's apparent lack of transparency. For example, the mine did not readily share plans for future expansion, social programs, and environmental monitoring results. The Mesa dialogue process, coupled with the activities and credibility of the participatory water study and community water monitoring system, compelled the mine to improve the way it disseminates information about its activities. The mine has opened an information center in the city of Cajamarca, and has begun producing an annual sustainability report to document expenditures and contributions on social, cultural, and environmental themes related to its operations. In addition, its water monitoring results now appear regularly on the company Web site.

Swaying critics

Some of the Mesa's most frequent critics are requesting their own forums to support some of the same activities initiated by the Mesa. At the annual meeting of Newmont shareholders in 2005, the Cajamarca-based environmental and social justice organization GRUFIDES proposed establishment

of an independent environmental monitoring mechanism to oversee the mine's operations and performance, and a separate study to address the health of residents in Chroropampa.

Other collaborative technical initiatives led by Yanacocha have also emerged. Yanacocha is leading a baseline study in the new Minas Conga mining district, with the participation of community representatives, the National University of Cajamarca at Celendin, and other government authorities. In January 2007, a new monitoring group was established in the zone of Combayo. There also have been renewed calls for convening more dialogue processes, and bilateral dialogue forums between the mine and individual communities have flourished.

Addressing water quantity problems to build trust and resolve conflict

A centerpiece of the Mesa's work was its technical focus on water. The pioneering independent participatory water study and the community water monitoring program that followed were catalysts for a number of projects being implemented today. For example:

- An agreement that ended conflict and violent protest in mid-2006, during tensions between Yanacocha and the town of Combayo, included provisions for enhanced water monitoring and expansion of potable water systems. The agreement highlighted the centrality of the water issue in the community-mine relationship and the critical importance of dialogue as a means for resolution.
- In October 2006, the municipality of Baños del Inca, the Watershed Institute (Instituto de Cuencas), and Yanacocha initiated construction of some 200 reservoirs in 18 villages in the municipality, with the goal of maximizing production for farming families during the dry season. Drip irrigation technology will also be provided to enhance conservation practices and reduce the risk of impacts from drought.
- In May 2007, a new reservoir constructed in the former San José mine pit will be complete. This reservoir will be able to deliver large quantities of treated water to the canals affected by Yanacocha's operations.

Encouraging responsible mining through dialogue

Mesa facilitators saw an improvement in the disposition to dialogue by key mine managers and community members. This change was apparent in managers' work with communities that did not participate in the Mesa and, in some cases, on other mining projects. In fact, changes in individual attitude and behavior were some of the most powerful results of the Mesa. Several former Yanacocha managers with experience from the CAO Mesa are now leading mining projects on other continents, bringing with them a transformed vision of responsible mining.

The community also shifted its views and general disposition to dialogue. During a protest against Yanacocha in the central plaza of Cajamarca in August 2006, protestors held signs declaring: "*Dialogue, yes! Violence, no!*" This simple statement, novel in the history of Cajamarca protests, is

one indication that the benefit of dialogue over violence is being recognized beyond the Mesa, and has permeated diverse sectors of Cajamarca.

Given the high probability of ongoing conflict throughout the life of a mine like Yanacocha, companies, financiers, and community groups should commit to establishing public forums, trusted third parties, skilled advocates, and incentives for dialogue.

At the time these monographs were printed, community members living near Yanacocha had occupied mining facilities and shut down operations in the La Quinua area. The demonstrators were advocating more local development for their communities, including roads, employment for young people, and increased training and capacity building. What is noteworthy about the dispute is not its occurrence, but rather its dynamics. Sometimes power-based approaches such as demonstrations and mobilizations serve as incentives for dialogue. Such was the case here. A respected third party, the Defensoría del Pueblo in Cajamarca, has stepped forward to convene the parties and initiate a dialogue process to address the situation.

National legacies

The Mesa process helped demonstrate that successful processes at a local level can influence attitudes and compel structural change at a national level. Stakeholder groups like the Mesa have helped the mining sector and government recognize the importance of allocating resources to engage communities in activities that will produce benefits at the local level and create a more hopeful future. For example:

- In August 2006, an agreement was reached between the Government of Peru and the country's mining sector in which private mining companies operating in Peru will make a "voluntary payment" of \$757.5 million over the next five years (\$151.5 million each year). The purpose of this "equity fund" is to fight poverty, malnutrition, and social exclusion in poor mining regions. The fund will benefit, in order of priority, communities near mines, the poorest areas of mining regions, and the victims of political violence in those areas. The companies, the beneficiary communities, and local and regional governments will collectively allocate and administer the payments.
- The Mesa was one of the first dialogue systems in Peru to address conflicts between a mine and affected communities. As a newly created space for debating and negotiating, it served as a catalyst for new public spaces to evaluate the role of mining, including how mining should be governed. Since closure of the Mesa, the call for dialogue and participatory roundtables has proliferated in many mining communities, and the government is increasingly serving as convener or participant in dialogue processes. Today, representatives from government also participate in roundtables about issues other than mining.

International legacies

The Mesa process underscored the power and importance of dialogue to resolve and prevent conflict to the International Finance Corporation (IFC)—one of Yanacocha’s financiers—and the importance of establishing project-level mechanisms to address conflict in the early phases of development projects. IFC’s performance standards now require that for all projects, companies develop a grievance system that investigates and resolves community concerns when they anticipate ongoing risks or adverse impacts to affected communities.

The Mesa also has given greater clarity to the CAO—IFC’s independent accountability mechanism—on how to engage with communities impacted by IFC projects around the world. Through the Mesa process, the CAO learned important lessons about the need for benchmarks to measure progress, the importance of developing clear exit strategies for interventions, and the challenges associated with independence and impartiality. Lessons drawn from the Mesa and other CAO interventions have compelled the CAO to revise its Operational Guidelines and approaches to assessments and interventions. These changes may well affect the practice of other accountability mechanisms and third parties that look to the CAO for leadership.

CONCLUSION

Empowering communities and resolving conflict

The Mesa de Diálogo y Consenso CAO-Cajamarca set out a vision of becoming a nationally recognized leader in the prevention and solution of conflicts through dialogue, transparency, and inclusion. Its emphasis on technical capacity and constructive participatory processes, rather than on political identity and positioning, helped to unite its diverse membership around a common mission. Mesa participants carried the group’s identity with pride, describing it as technical in three respects: its commitment to scientific rigor while simultaneously recognizing the value and importance of local knowledge; its growing expertise on environmental issues; and its understanding and practice of conflict resolution.

The information and stakeholder perspectives that inform this series of monographs are drawn from extensive project documentation and scores of in-depth interviews with Mesa stakeholders, project staff, and consultants in Peru and the United States. Through these monographs, it is the CAO’s aim to present the complex spectrum of stakeholder opinions, experiences, and lessons, and offer possibilities for future initiatives that face similar challenges and opportunities.

Further Information about the CAO

The CAO aims for maximum disclosure of reports and findings of the CAO process by reporting results on our Web site. Our Operational Guidelines and all other public publications are available in print and online. Most Web content is in English, French, and Spanish. The guidelines are available in these languages as well as Arabic, Chinese, Portuguese, and Russian. The guidelines and Web site include a model letter to the CAO's office to assist people in filing a complaint.

For more information about the CAO, please visit www.cao-ombudsman.org

Editors: Nancy Morrison, Falls Church, VA, and Kate Kopischke, the CAO

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COMPLIANCE/ADVISOR OMBUDSMAN

2121 Pennsylvania Avenue NW

Washington, DC 20433 USA

Telephone: 202-458-1973

Facsimile: 202-522-7400

E-mail: cao-compliance@ifc.org

www.cao-ombudsman.org



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