



**Capacity Building Workshop
Meeting Summary and Recommendations**

**Huarmey, Peru
July 19 and 20, 2006**

Attended by:

**Comité de Monitoreo, Vigilancia y
Fiscalización Ambiental de Huarmey
Representatives of Compania Minera Antamina
Local Government Representatives**

September 12, 2006

Office of the Compliance Advisor/Ombudsman
of the International Finance Corporation and the
Multilateral Investment Guarantee Agency

Summary and Recommendations

Background

The July 19 - 20, 2006 Capacity Building Workshop involved members of the Comité de Monitoreo, Vigilancia y Fiscalización Ambiental de Huarney (CMVFAH), representatives of Compañía Minera Antamina (CMA), and representatives of several governmental agencies with environmental monitoring mandates.

The CAO-sponsored workshop was requested by both CMA and by CMVFAH following CAO's assessment and closure of a complaint filed in May 2005 by members of the Federación de Pescadores del Perú. Among the recommendations in CAO's final assessment report was that the company work more closely with the environmental monitoring committee to strengthen CMVFAH's technical capacity; improve communication between the two parties and between the committee, the complainants, and community members; and to improve strategies for interpreting and disseminating reliable environmental information.

Following written requests in May 2006 by senior management at Antamina and by CMVFAH, CAO agreed to convene and facilitate the workshop. Prior to the workshop, CAO spoke by phone with representatives of the two parties to discuss their expected goals and outcomes of the workshop, and to draft an agenda.

Although members of the fishing federation and associated complainants had declined to engage in further dialog with the company and CMVFAH shortly after CAO closed their complaint, they later contacted CAO to say they had reconsidered and would like to participate in the workshop which they understood was being planned by the other parties. CAO and the other parties welcomed their participation.

CAO confirmed to the parties that its agreement to facilitate the workshop did not constitute a re-opening of the complaint.

In preparation for the workshop, CAO requested the names of five people from each of the three parties who would participate in the 1.5-day meeting. CAO also asked both Antamina and CMVFAH to provide the names of five people from government agencies whose mandates include environmental monitoring and regulation of CMA's port facility in Huarney.

Letters of invitation to the workshop were sent to the following governmental entities and individuals:

- CONAM – Raul Roca & Pedro Dongo
- DIGESA – Issac Lavado & Fausto Roncal
- IMARPE – Manuel Guzman Roca
- INRENA – Rolando Rubio Flor
- MEM – Mario Huapaya

Those from government entities who accepted the invitation and attended the workshop included: Pedro Dongo and Roxana Orreco of CONAM; Ronaldo Rubio of INRENA; and Aldo Leon and Ada Alegre of MEM.

Participants from CMVFAH:

- Nadia Alonzo Gomero
- Ronald Aponte Cornejo
- Jorge Luis Bayona Guio
- Wilfredo De Paz Falvy
- Martin Farromeque
- Lola Gomero Pajuelo
- Marino Huanuco Rivera
- Presbítero Pacherras Mendoza
- Alberto Rodriguez Rosales.

Participants from CMA:

- Dennis Haumán
- Gonzalo Quijandría
- Guillermo Tello.

Participants from CAO:

- Kate Kopischke, Specialist – Ombudsman
- Antonio Bernales, Consultant – Facilitator
- David Atkins, Consultant – Technical Specialist.

Also present for part of the workshop was Deniz Baharoglu, social specialist from the Multilateral Investment Guarantee Agency (the World Bank Group member institution that provides risk insurance to CMA).

Despite their request to participate, members of the fishing federation and associated complainants did not attend any part of the workshop.

Day 1 of the workshop began with a lunch at 1 pm on July 19 and adjourned at 6 pm. On Day 2, the workshop began at 10 am and adjourned about 3 pm.

Recommendations

Based on the discussions and ideas generated by participants in the Capacity Building Workshop (which are summarized in the attached meeting notes), CAO suggests the parties consider the following next steps towards improving functionality and enhancing capacity and communication between and among CMVFAH, the regulatory institutions, the company, and the community:

1. Regulatory agencies, together with a representative of the CMVFAH, should consider convening a facilitated roundtable or series of roundtables aimed at standardizing collection and dissemination of environmental data, and working collaboratively to ensure that their responsibilities and information are shared, rather than exclusive. Currently, individual agencies appear to be asking the company, citizens and other agencies – independently and separately – for the same information and data. A facilitated

collaborative process could help the agencies identify areas of common interest and cost-saving possibilities, and could ultimately establish jurisdictions that are concurrent, rather than isolated from one another.

A secondary goal of the roundtable could be to set communication objectives and reach agreement on which agencies or organizations are responsible for what types of communication and outreach.

2. CMVFAH should undertake research and planning to identify possible funding sources separate from the funding provided by Antamina. A number of foundations and funding agencies are focused specifically on environmental monitoring, public participation, capacity building, and environmental assessment. Although the process of identifying appropriate funding can be time consuming and competitive, the CMVFAH should begin to explore these resources. The Canadian International Development Agency's "preliminary index of useful internet websites" <http://www.iaia.org/eialist.html> offers a number of possibilities. Another resource is SIMBIOTA, a volunteer organization that assists Latin American and Caribbean field biologists and conservationists. The group's website <http://wildlife.wisc.edu/simbiota/> contains a list of "Potential Funding Sources" that may be relevant to the Comite's education and operating goals.
3. During the workshop, the group identified many areas that could or should be a priority for CMVFAH. CMVFAH should prioritize those items and determine if they are included in, or in addition to, the work plan for the coming year. In creating this priority list, it will be useful for CMVFAH to identify the capacity necessary to fulfill its mandate and to address any issues that are a high priority but not currently part of the work plan. Developing additional capacity could involve attending training courses or hiring consultants/experts with specific expertise. Identifying priorities and necessary capacity will be key to developing proposals for potential funding sources.
4. CMVFAH and CMA should work to resolve current funding problems as soon as possible.
5. CMA should convene a small working group to address findings on the ground water issue. CMA plans to deliver a groundwater report by October 2006, but has not received approval from ATDR to conduct the study. If ATDR does not approve the study soon enough to allow CMA to meet the October 2006 deadline, the working group should seek cooperation from ATDR, and involve the other regulatory agencies in fully characterizing the ground water issue, and any future plans for storage and release of the treated water.

Conclusion

These recommendations stem from conversations and issues raised by parties during CAO's two assessment trips to Huarmey, and during the July Capacity Building Workshop. CAO encourages the parties to work together to refine and implement these recommendations in the coming year. This report concludes CAO's involvement in the complaint filed in May 2005 by members of the Federación de Pescadores del Perú. All the parties, including MIGA, have been notified of the closure.

WORKSHOP NOTES

Day 1 Presentations:

What is the institution's mission, and what are its key challenges?

Ministry of Energy and Mines

Monitors the performance of the company through monitoring and bi-annual audits.

A tension exists in the orientation of the measurements of water quality. In the case of Antamina, the forest plots are a concern. The plantation water is treated and must comply with MEM regulations for discharge of treated water (R.M. No. 011-96-EM/VMM, afterwards referred to as 011). On the other hand, these standards are different than those designated for agriculture by DIGESA (Class III).

Criteria for MEM audit is related to what is legally approved. That is in the EIA document. In the EIA, we rely on regulation 011, not the classification according to DIGESA.

Two key challenges for MEM include:

1. Classification of Water: It is possible to re-define the final use of the water – to shift the end user from 011 to class 3, if the water is going to be used for irrigation. If it is going to be used for agriculture, you need to go to class 5. The classification used depends on what the people want, whether it is feasible, and whether it is acceptable for all parties including the mine.

That target for the final use implies different approaches, treatments, and technology. If Antamina complies with 011 is OK. But people believe it's more complicated than that.

2. Administrative / regulatory: All the institutions use different approaches, different standards, different measures. There is a tension over 'turf'; what needs to be measured and by whom. IMARPE doesn't want to measure what DIGESA measures, because it's 'not their job.'

Institutions do not share a common vision, and they do not feel entitled to discuss whether they can share a vision. The opportunity for a roundtable offers another option from the point of view of the regulatory system. Not that someone else will solve the problem of different approaches, but in this instance (CONAM) may analyze the controversies between agencies. But CONAM won't say what should be done; only who is in charge. This is legal arbitrage.

"How to" is still regulated by each sector. (The Environmental Protection Agency in the U.S., in contrast, has overall responsibility for whole country, and can answer the "how-to" questions.)

This is a facilitation challenge: the groups work collaboratively but still can't find common ground.

MEM is launching a new division of labor; a general body to deal with social issues, and a rationale for splitting social and environmental issues. We are reviewing the whole system (working towards a new strategy for avoiding new legacies/pasivos).

INRENA

Monitors surface and ground water

Deals with water rights; uses a decentralized system where local people work through a technical administration (like ATDR); 'Users organizations.'

Issue of ground water was studied/monitored in Peru in the 60s and 70s. Then from 1974 until the 90s, the program was not prioritized. Only in 1997 was it reinstated, and 35 aquifers on the coast have been studied at different levels,

Current priorities in this area are modeling two aquifers: Tacna and Ica, which are two of the largest, driest agricultural areas.

Regarding Huarmey, information is just beginning to be collected. INRENA's intention is to understand the cause and effect of the ground water issues there – including where the sources of recharge are ('recharge zones'). INRENA will develop a model based on the investigation.

Although INRENA's primary focus has been on quantity, they are starting in Huarmey with quality issues. But quality is also the key purview of DIGESA. Unfortunately the interaction between DIGESA and INRENA is minimal.

INRENA would like to do quarterly surveys of water quantity in order to better capture seasonal variability in flow. But they do not have the resources; currently, measuring is done every six months. (CMA is measuring ground water levels every month.)

Quality control is a challenge for INRENA. The institution has no capacity to analyze sea water.

Beginning in 2006, INRENA expanded the area of analysis in Huarmey to include the valley floor (where they work with ATDR) to the mine's area of influence. This includes 22 new wells. Now there is a uniform network for analysis that includes the whole valley.

Biggest challenge is to improve communication between INRENA and ATDR, and between INRENA and the CMVFAH. It will be important to reinforce participation of the local representative of ATDR.

Antamina

CMA is focused on participatory monitoring and how they work with different parties. The company works with DIGESA on water use in the forestry project, on treated water / water quality. It works with IMARPE on sediments and marine environment issues. MEM conducts audits and is the authority in charge of water quality for agriculture, human consumption, sea water, and disposal.

There is a 'chain of custody' that is used to verify how and where samples are delivered to the labs. This was developed with the company and the institutions. Results of lab reports are compared and delivered to the assembly.

Regarding communication of the information, discussion of the results is within the purview of the Consejo Directivo, which analyzes and reports on the trends. Those trends/results are reported to the assembly and to stakeholders.

Antamina has also been working with INRENA since 2006 on ground water.

Key issues / challenges facing Antamina include the ground water issue and sediments during ship loading.

The company just presented its updated environmental management plan, which includes an environmental monitoring plan. All this information is 100 percent public and available on the web.

CMVFAH

The Comité de Monitoreo:

- Plans and coordinates a monitoring system, and promotes citizen participation;
- Organizes meetings to report results to institutions, the assembly, and to the community;

Criteria are strictly technical.

Problems / challenges facing CMVFAH:

- The length of time it takes to get the institutions' monitoring results. There is no systematic delivery or protocol for receiving information. This has had the effect of eroding the relationships between the Committee and the institutions.
- CMA forwards information only when CMVFAH asks for it. There is no commitment to deliver all the available information systematically and in a proactive way.
- Each institution has its own approach to collecting and disseminating the data. Criteria are based on a sectoral approach. Those assigned roles create a tension between the different bodies regarding what criteria should be used, what standards, and what parameters.

To overcome these challenges, CMVFAH needs to:

- Work with the institutions to clarify and align the criteria and standards for monitoring and dissemination.

- Design a systematic strategy for analyzing and understanding what is occurring in the bay and in the river.
- Attend or convene, along with key technical people within the institutions, continuing education programs aimed at improving technical capacity, information dissemination, and overall monitoring standards and practices.
- Design strategies for raising funds independently to cover its costs and to improve trust in its services and to bolster its independence.
- Work together with the institutions and company to develop a comprehensive communication strategy, with a budget and milestones.
- Work with the company and institutions on concrete implementation plans. (Many agreements have been reached, but they have yet to be implemented. This includes implementation of the recommendations from the original CTM report. CMVFAH has been charged to follow up on those, but as a volunteer organization and an unfunded mandate, it is extremely difficult.)

(Pedro Dongo of CONAM commented that the outlook for CMVFAH will depend upon on how management of environmental / territorial law will be implemented in Peru.)

DAY 2 Discussions: Setting Priorities

Workshop participants were asked to identify opportunities for improving environmental monitoring and communication exchange between CMVFAH and the other entities with monitoring mandates. The ideas generated were divided into two categories: those that currently exist but could be amplified/improved (A), and those requiring fulfillment of existing agreements or activities/cumplimiento (C).

Opportunities to Improve Environmental Monitoring

Amplificación / additions to the current program (A)

Expand the mission of CMVFAH and of the regulatory agencies to include water use for irrigation and well management throughout the whole valley. Improve understanding of the interaction of the river and the bay.

Include in the CMA management plan a discussion of the existing or potential social and economic impacts of CMA. The plan should discuss the number of jobs that would be created as a result of new activity, the kind of transportation that would be required, traffic and police issues, other infrastructure issues, etc.

Bioaccumulation: incorporate existing or newly commissioned university studies into the work of CMVFAH and into CMA's management plan. For example, a study of bio-

accumulation in the forest plots should be designed jointly and incorporated into existing information about the plots.

Develop a comprehensive communications strategy for CMVFAH in coordination with the governmental entities and the company.

Undertake or commission studies to better characterize the impact of the fishing industry on Huarmey Bay (including the impact of fish meal plants, shipping, loading, etc.)

Cumplimiento / fulfillment of agreements and activities already in place (B)

CMA should:

- Ensure compliance with existing financial commitments. CMA should fulfill its previously agreed commitment to CMVFAH.
- Ensure access to the port facility so shipping and ship loading activities can be systematically observed and monitored.
- Work with CMVFAH to improve strategies for public participation, with consideration to eliminating time consuming bureaucratic hurdles.
- Work with CMVFAH and regulatory entities to improve diffusion / dissemination of environmental monitoring results. (Currently, governmental institutions do a lot of sampling, but with very little focus on how to publish / release it publicly.)

Ideas for improving relationships and building trust

Roles – Responsibilities

Agree on clear information sharing procedures, i.e. formal and informal communication, between CMVFAH, ATDR, and Antamina.

Design a mitigation plan in the event that CMA cannot deliver the ground water study by the October 2006 deadline. (CMA needs permission from ATDR to do the study, and so far they have not received it.) It is possible to get the authorization and deal with this risk now. Early and factual reporting to the community is important. Key point is that CMA should not wait to ask / tell people what's going on, and to avoid any misunderstanding, to be clear about the reason it would not be on time.

Design strategies for preventive approaches to emerging or unexpected issues, rather than reactive, finger-pointing and blaming. Schedule open, frank conversations to share information and design collaborative solutions. (At assemblies, situations/crises cannot be prevented, only discussed. Up-front work should be done prior to assemblies. The point of the assembly is accountability, not problem solving.)

Process Analysis: Ground Water

Design a tool for accurately measuring ground water levels or other ground water issues by monitoring sites, taking samples, and analyzing these data to measure progress toward established goals. Each project or individual case should be subject to a systematic process analysis that can be easily reviewed and reported. Such analyses should be time-sensitive.

(The report on groundwater in Huarmey that was sent to INRENA for review, which includes information from CMA and CMVFAH, is still pending. INRENA has not released a statement or provided a response to either CMA or CMVFAH.)

Communication

Improve the capacity and clarify the role of spokespersons. Currently, only the CMVFAH president is a designated spokesperson, idea being that with a single spokesperson, consistency would be maintained. The objective should be to “translate” the technical issues in a way people can understand, and to identify the best spokespeople to do that translation. Also important to identify who is best suited to speak about a specific issue with credibility and specific knowledge.

A Formal Communication Plan should be designed and implemented for dealing with the key concerns of community members. Currently, the top 3 concerns of residents (according to CMVFAH) appear to be:

1. Contamination of the bay / sea (metals)
2. Contamination of ground water / irrigation
3. Bad odor in Puerto Grande.

The Communication Plan should:

- Address the amount of misinformation that exists about the existing and emerging concerns.
- Include both external and internal communication issues, and define the difference between informal and formal channels of communication.
- Incorporate experiences, lessons learned, and gaps that currently exist in knowledge and capacity.
- Specify who is responsible for different communication tasks, including web communications, radio, other media, etc. When a technical specialist is required, who will be called? Who will handle crisis communication?

Work Plan

Work plans and procedures should be formalized/enhanced and strictly followed. Each activity should have a clear description of the specific task, who is responsible, the action to be taken to complete the task, and the timeline for activity and completion.

Flexibility in the work plan is key. As issues emerge and change, the plan should be adaptable.

Participation

People involved in environmental monitoring should be both a participant and an observer, always providing constructive criticism. Local institutions are, in general, not powerful enough to effect large-scale change, often working alone rather than in partnership. This hinders progress and causes burnout. Collaborative projects should be designed to address this issue, and to explore new and different ways of resolving problems.

Priorities for CMVFAH:

Technical Goals

- Improve analytical capacity of members. Identify where and how technical expertise can be obtained.
- Identify ways to improve standards, procedures and reference values. Use appropriate reference guides / manuals (i.e. for topics such as acceptable maximum permissible limits.)
- Facilitate greater participation of the key parties and community members; make it easier for interested residents to participate in the monitoring. (Design a robust 'veedor' program)
- Facilitate safe access to observe ship loading.
- Explore alternative funding mechanisms (from foundations, government, etc.) to supplement funding from CMA.
- Be more open to criticism and self-criticism in order to identify and improve processes. Based on cycles of performance, work to implement improvements. "Plan, Do, Check."

Compliance Considerations

- Does the committee have the time, mandate to address issues outside its current mission – issues that no other institution is addressing? For example, should they focus only on issues related to Antamina, or also larger community issues – as a watchdog for other institutions? Is the water safe for human consumption? Etc.