

## GUIDANCE TO ACCOMPANY THE PRINCIPLES

### 5. ENGAGE HOST COMMUNITIES AND OTHER AFFECTED AND INTERESTED PARTIES

*Objective: To interact with communities, indigenous people, organizations, groups and individuals on the basis of respect, inclusion and meaningful participation.*

#### Introduction

Developing and maintaining a positive, mutually beneficial relationship with local communities, indigenous and tribal peoples<sup>1</sup> (if present) and other parties in the area of influence of an exploration project (generically referred to here as stakeholders) based on respect, transparency, consultation and participation is fundamental to obtaining the social license that underpins the success of an exploration project. Experience has shown that, if there is active engagement with stakeholders from the earliest stage of exploration and greater accommodation of local concerns and community participation in decision making, there is a concomitant decrease in the risk of social conflict.

For any given project, there are often many stakeholders, ranging from those directly affected or having the ability to exert influence on the project to others who are only indirectly involved, and it will not be possible for explorers to engage with all of them all the time. The stakeholders to be engaged and the form, scope and intensity of engagement will vary with local circumstances and the stage of exploration. As such, the character of engagement is context specific, dynamic in nature, and requires constant monitoring and adjustment as exploration proceeds. In practice, engagement can range from the provision of notification and information, through consultation, to participation and an active role in aspects of project planning and decision making.

Explorers should, therefore, develop and implement management practices and programs for engagement that are appropriate for the local situation and stage of exploration, with particular emphasis on the community or communities within the immediate area of influence of any given exploration project.<sup>2</sup>

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<sup>1</sup> Further information on the processes associated with engagement with Canadian First Nations, Inuit and Métis may be found in such documents as 'Mineral Exploration, Mining and Aboriginal Community Engagement' ([www.amebc.ca/docs/6E830BA41323EB5F.pdf](http://www.amebc.ca/docs/6E830BA41323EB5F.pdf)) published by the Association for Mineral Exploration of British Columbia (AMEBC). Outside of Canada, the 'Akwe:Kon Guidelines' ([www.cbd.int/doc/publications/akwe-brochure-en.pdf](http://www.cbd.int/doc/publications/akwe-brochure-en.pdf)) published by the Secretariat on the Convention on Biological Diversity are most useful; others are listed in the PDAC on-line manual 'Excellence in Environmental Stewardship.'

<sup>2</sup> For more information on the range of interactions see the materials provided by the International Association of Public Participation available at <http://www.iap2.org/associations>

## **Implementing Engagement**

To facilitate engagement, explorers should consider the need to:

- a. Adopt, and make public, policies and procedures for community relations and stakeholder engagement, land access and compensation, disclosure of information, and dispute resolution;
- b. Identify the area of influence of exploration activities, the host community (or communities), and other parties affected by the exploration project (see also Principle 4). It is recommended that this process be repeated at each stage of exploration in order to confirm that all affected parties are involved in the engagement process;
- c. Assemble relevant information in order to understand local social, socio-political, socio-economic, and cultural characteristics, including:
  - Identification of key groups and individuals, social structure and decision making processes, and representative leaders;
  - Land-use, ownership and occupancy characteristics; and
  - Institutional and technical capacity.

Such information provides the base on which to develop plans for engagement, communications and community relations and to identify benchmarks against which social and economic changes can be measured. This process should be repeated from time to time in order to ensure that engagement, communications and community relations are appropriate to the stage of exploration and current community conditions (see also Principle 2);

- d. Identify and implement a process that provides for the mutual exchange of information in a transparent, inclusive and respectful manner and that ensures community participation in decisions that affect their future in a way that is culturally appropriate for the local circumstances. Explorers should take care to ensure that all segments of the community, including vulnerable and marginalized groups, are included in this process and that they have sufficient time and capacity to conduct internal consultation among their members (see also Principle 2);
- e. Wherever possible, confirm commitments and accords with the community in the form of written agreements that incorporate terms which respect community values and processes for interaction and decision making. Explorers are encouraged to structure such agreements so that they become an obligation for any future owner or operator of the project and thus survive in perpetuity unless renegotiated with the community; and
- f. Ensure that all employees, contractors, and sub-contractors are fully aware of the mechanisms adopted for engagement, and of their role and responsibility to the community in the engagement process.

### **Access for Exploration Activities**

Explorers should consider the need to:

- a. Consult with relevant parties prior to entering land for the purpose of exploration activities, and develop a process and a schedule for obtaining access to land<sup>3</sup> and providing appropriate compensation for harm arising from exploration activities. Explorers should be aware that the absence of legal title is not of itself a reason to fail to seek permission for access to land or to withhold provision of compensation for damage or harm (see also Principle 3);
- b. Pay reasonable costs for the resources needed to obtain permission including, where necessary, the provision of expert advice to support the community or individual land owners/occupiers in the process of negotiation and granting permission;
- c. Where possible, enter land and conduct physical work on the basis of an agreement<sup>4</sup> for access and compensation and a corresponding completion agreement with the appropriate group, person or persons when any stage of exploration is completed (e.g., trenches filled in and re-seeded, drill pads reclaimed, etc.). It should be anticipated that such agreements will become more elaborate as the scale and intensity of exploration, and associated social and environmental impacts, advance from initial access to reconnaissance sampling and mapping, through drilling and trenching, to delineation drilling to define ore reserves; and
- d. Conduct temporary displacement of people, purchase or acquisition of surface rights to land in a manner consistent with the provisions of International Finance Corporation Performance Standard 5 (2006): Land Acquisition and Involuntary Resettlement.<sup>5</sup>

### **Disclosure of Information**

Explorers are encouraged to:

- a. Provide non-confidential information about the company and its exploration program including relevant permits, the nature and the process of exploration including risks, opportunities, and potential time lines. Such information should be in the native language of the local population, be timely, and use appropriate forms of speech so that the information is readily comprehensible to non-technical persons (see also Principle 2); and
- b. Encourage local communities to obtain independent advice on the quality, relevance and validity of the information disclosed by the company and be prepared to finance the provision of such independent advice where such need is demonstrated.

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<sup>3</sup> Explorers should be aware that procedures for gaining access to land may vary across jurisdictions. In some jurisdictions, particularly developed countries, access to land and approval to conduct work are subject to legal requirements and government regulations.

<sup>4</sup> Agreements may take the form of a signed written document or be oral before witnesses.

<sup>5</sup> [www.ifc.org/ifcext/sustainability.nsf/Content/PerformanceStandards](http://www.ifc.org/ifcext/sustainability.nsf/Content/PerformanceStandards)

### **Issues Management, Grievance and Dispute Resolution**

Explorers are advised to develop, in collaboration with the community, a mechanism for managing issues, grievances and disputes arising from exploration activities.<sup>6</sup>

### **Monitoring and Reporting**

Explorers are encouraged to implement processes of monitoring and reporting on the social and environmental performance of exploration projects (see also Principle 2) to governments, local communities, shareholders and other interested parties.<sup>7</sup> In doing so, it is recommended that explorers:

- a. Provide monitoring and reporting information that is timely, accurate, relevant and accessible; and
- b. Involve the local community or civil society groups in monitoring exploration activities and, where appropriate, verifying the accuracy of reports (see also Principle 2).

### **Exploration Specific Issues**

In addition to the above items, it is recommended that explorers:

- a. Develop mechanisms to facilitate communications and the provision of information to the community and other stakeholders during extended periods of time when the company is absent from the field location (e.g., project on hold, etc.);
- b. Develop an exit strategy appropriate to the stage of exploration and have in place a management process with sufficient resources to handle the social and environmental consequences of projects that terminate; and
- c. Develop plans to manage relationships with the community and stakeholders that help facilitate the possible transfer of project management or ownership from one company or team to another or from exploration to mine construction.

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<sup>6</sup> See 'IFC Performance Standard 1: Social and Environmental Assessment and Management System,' 'Guidance Notes for Performance Standard 1' and also 'A Guide to Designing and Implementing Grievance Mechanisms for Development Projects' available at [www.cao-ombudsman.org/html-english/Grievance\\_mechanism2.htm](http://www.cao-ombudsman.org/html-english/Grievance_mechanism2.htm)

<sup>7</sup> The Global Reporting Initiative has created a reporting template for mining, which unfortunately is unsuitable for exploration projects. It is the intention of PDAC to sponsor the development of a template specifically for exploration as part of the second phase of *e3 Plus*.