

EXTRACTIVE SECTOR AND CIVIL SOCIETY:  
WHEN THE WORK OF COMMUNITIES,  
GOVERNMENTS AND INDUSTRIES LEADS  
TO DEVELOPMENT  
**ARGENTINA**





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# ARGENTINA

4% of Latin America and the Caribbean's GDP comes from the extractive sector. This figure is equivalent to the amount generated by agriculture in the same region. An effective engagement between governments, companies, and civil society is required to propel sustainable development. With this diagnostic study of Argentina, the IDB seeks to shed light on best practices among stakeholders of the extractive sector. It focuses in actions of information, dialogues, consultations, collaborations, and partnerships that are driving development in the country.

This booklet focuses on the findings of Argentina and is part of a regional diagnosis executed in Argentina, Chile, Colombia, Mexico, Peru, and the Dominican Republic. The full publication is available at: <https://publications.iadb.org/en/extractive-sector-and-civil-society-when-work-communities-governments-and-industries-leads>.

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## Abbreviations and acronyms

ACM	Asociación Colombiana de Minería
ACP	Asociación Colombiana de Petróleo
AIDSEP	Asociación Interétnica de Desarrollo de la Selva Peruana
AMEXHI	Asociación Mexicana de Empresas de Hidrocarburos
AMSA	Antofagasta Minerals
AMUCEP	Asociación de Municipalidades de Centros Poblados de Huari
ANDI	Asociación de Industriales de Colombia
ANLA	Autoridad Nacional de Licencias Ambientales
ASF	Auditoría Superior de la Federación
IDB	Inter-American Development Bank
CAEM	Cámara Argentina de Empresarios Mineros
CAMIPE	Cámara Minera Petrolera de la República Dominicana, Inc.
CAR	Autonomous Regional Corporations
CEAS	Comisión Episcopal de Acción Social
CEMDA	Centro Mexicano en Derecho Ambiental
CEFOMOMALI	Centro de Formación para Mujeres Organizadas María Liberadora, Inc.
CFE	Consejo Federal de Energía
CIDE	Centro de Investigación y Docencia Económica
CINEP	Centro de Investigación y Educación Popular
CITT	Centro de Innovación y Transferencia Tecnológica
CMAP	Comité de Monitoreo Ambiental Participativo
CODELCO	Corporación Nacional del Cobre
COFEMA	Consejo Federal del Ambiente
COFEMIN	Consejo Federal de Minería
CONADI	Corporación Nacional de Desarrollo Indígena
CONALEP	National College of Technical-Professional Education
CONAP	Confederación de Nacionalidades Amazónicas del Perú
CORMIDOM	Corporación Minera Dominicana
CSO	Civil Society Organization
CVSA	Cerro Vanguardia, S.A.
DGM	Dirección General de Minería
EIA	Environmental Impact Assessment
EITI	Extractive Industries Transparency Initiative
ENTRE	Espacio Nacional por la Transparencia de la Industria Extractiva
FALCONDO	Falconbridge Dominicana
FARN	Fundación Ambiente y Recursos Naturales
FFLA	Fundación Futuro Latinoamericano
FOMISAR	Fondos Mineros de la Provincia Sánchez Ramírez
GDL	Grupo de Diálogo Latinoamericano Minería, Democracia y Desarrollo Sostenible
GDMDS	Grupo de Diálogo, Minería y Desarrollo Sostenible
GDP	Gross Domestic Product
ICMM	International Council on Mining and Metals
FDI	Foreign Direct Investment
ILO	International Labour Organization
IMCO	Instituto Mexicano para la Competitividad
INFOTEP	Instituto Nacional de Formación Técnico Profesional
LWR	Lutheran World Relief
MAC	Canadian Mining Association
MBV	Mesa de Buenos Vecinos
MEM	Ministerio de Energía y Minas
MIMARENA	Ministerio de Medio Ambiente y Recursos Naturales

MSG	Multi-Stakeholder Group
MSX	Minera San Xavier
ONIC	Organización Nacional Indígena de Colombia
UN	United Nations
PACMA	Programa de Apoyo a la Comunidad y Medio Ambiente
PAE	Pan-American Energy
PEMEX	Petróleos Mexicanos
PUCP	Universidad Católica del Perú
PVDC	Pueblo Viejo Dominicana Corporation / Barrick Pueblo Viejo
CSR	Corporate Social Responsibility
SEMARNAT	Secretaría del Medio Ambiente y Recursos Naturales
SENER	Secretaría de Energía
SIA	Social Impact Assessment
SMCV	Sociedad Minera Cerro Verde, SAA
SME	Small and Medium-Sized Enterprises
SMP	Social Management Plan
SNMPE	Sociedad Nacional de Minería, Petróleo y Energía
SODOGEO	Sociedad Dominicana de Geología
SPH	Sociedad Peruana de Hidrocarburos
TSM	"Towards Sustainable Mining" initiative
UAGRO	Universidad Autónoma de Guerrero
UASD	Universidad Autónoma de Santo Domingo
UBA	Universidad de Buenos Aires
UNMSM	Universidad Nacional Mayor de San Marcos
UNSAM	Universidad Nacional de San Martín
UTECO	Universidad Tecnológica del Cibao Oriental
YPF	Yacimientos Petrolíferos Fiscales

# 1. INTRODUCTION

Countries that are rich in natural resources and the consequent extractive activity around those non-renewable resources –minerals, oil and gas– present several possible analytic perspectives or approaches. An economic analysis allows us to estimate investment costs, corporate profitability and the contributions of the extractive sector to the national or regional economy. From the perspective of technological advances, extractive industries require the use of sophisticated, cutting-edge technologies with the potential to help reduce negative impacts. From an environmental perspective, due to the scale of these types of projects, there is an emphasis on the impacts of extractive activities on nature and biodiversity, the competition for the use of water resources, the consequences for crops and the possible contamination of rivers and aquifers, where the aforementioned technologies can play a decisive role in prevention and mitigation measures.

**From the social perspective, a similar sophistication is required to analyze the range of opportunities and challenges for stakeholders when dealing with the various phases of large projects, such as exploration, exploitation and closure, particularly considering the neighboring communities, which are generally rural.<sup>1</sup>**

The following diagnosis analyzes the extractive sector from the perspective of the engagement between the main stakeholders: the Government, the Company and the Communities directly or indirectly affected by extractive activities. This diagnosis differs from the classic approach towards extractive activities as “a catastrophe for natural resources,” preferring to study and highlight those findings where effective stakeholder engagement represented an opportunity for development and contributed to the success of an operation.

As a baseline, the diagnosis used information obtained through previous studies and field experiences, reviewing the fact that extractive activity implies the participation of these three stakeholders in different capacities and spheres of action: (i) the **government** and its role at the national, provincial and/or municipal levels regarding the steps of extractive activity, such as the design and allocation of bidding documents, authorizations, monitoring of implementation, with a shorter period of influence on political decisions (in the absence of institutions that support such decisions) compared to the other two stakeholders, among others; (ii) the **company** that, due to the nature of long-term extractive activity, remains in the field for periods generally spanning decades. After obtaining authorizations and licenses (including social ones), it is situated geographically and becomes





How can governments, communities and industries use their diverse interests and needs to generate mutual benefits for all stakeholders, while respecting the environment and striving for sustainability?







part of the life of communities near the extraction zone. This important characteristic defines extractive activity and helps shape the social fabric and the local economy, impacting the composition of traditional groups; (iii) the **communities**, in addition to being responsible for providing information and understanding the scope of the project before granting the social license to operate, remain on the land for generations and are engaged during each phase of the activity (in the case of “onshore” extraction, from the opening to the closure of activities).

Extractive activity can provide opportunities for communities and can also lead to new tensions within the population itself. These opportunities and tensions include the employability of workers from the communities. Due to their specific requirements and technical profiles, this employability tends to be low, which leads to greater competition for jobs. Sometimes a gap can arise between workers from the communities and other members of the same community without jobs in the company. The communities are susceptible to internal divisions where no previous conflicts existed. This factor is also observed when workers arrive from outside the community and generate significant growth in the local population, with new inhabitants in the area who are foreign to rural traditions and rhythm. This situation also exerts pressure on the same territory with the same limited resources. Other potential conflicts include new infrastructure projects and the time it takes to complete these works, affecting traffic patterns in the communities; a possible increase in alcohol consumption; a disproportionate number of men compared to women; potential increases in gender crimes; start or increase of prostitution activities.

Particularly noteworthy is the company's ability to influence the value chain with different undertakings and service organizations that can gain new development opportunities due to the arrival of the company, often leaving the extractive company at the mercy of a monopolistic fixing of prices for these services.

*How can the parties involved use their diverse interests and needs to generate mutual benefits for all stakeholders, while respecting the environment and striving for sustainability?*

To answer that question, this diagnosis focused on studying best engagement practices, which have achieved both measurable and comparable results that can be replicated, such as new productive undertakings or significant advances in the education and health sectors, as well as intangible impacts, such as building trust and developing collaborative processes. This approach seeks to discover what works in an activity that, for some countries rich in natural resources, represents more than 50% of tax revenues.<sup>2</sup> The best practices highlighted in this publication provide guidelines and orientations for consolidating and improving the engagement between these three stakeholders and show ways in which the extractive sector can contribute to national and local development in the countries of Latin America and the Caribbean.

Best practices have shown that good engagement builds trust, leads to agreements on disputed issues, strengthens the local economy, generates environmentally sustainable practices and improves the quality of life of the population. These same best practices also indicate that stakeholder engagement is the result of processes that require a medium- and long-term vision that considers the allocation and investment of human and financial resources.

For this diagnosis, countries within the region that are rich in natural resources but have different profiles and experiences in extractive issues were selected. These countries are: Argentina, Chile, Colombia, Mexico, Peru, and the Dominican Republic.



**For some countries rich in natural resources, extractive activity represents more than 50% of their tax revenue**

In order to develop this study, each country's experience was validated, and these experiences were corroborated with representatives of industry/business, communities/civil society and governments, to ensure that they all agreed that the experience was considered best practice according to previously defined criteria.<sup>3</sup> Subsequently, a second validation was carried out using different sources of information, including written materials, interviews, field visits and working groups.

With the purpose of organizing all the experiences, these findings were grouped methodologically into five engagement levels.<sup>4</sup>



#### **Information:**

This level includes the provision of data and background information about the extractive project by the company and the government. It also includes the provision of information by civil society organizations and other interested parties within the territory.



#### **Dialogue:**

Dialogue refers to the active, continuous and informal exchange that, through various degrees of contact between stakeholders regarding the extractive sector, seeks to create or strengthen constructive relationships between the parties. These processes can be temporary or permanent over time, and also have the potential to generate positive changes in the relationships.



#### **Public consultation:<sup>5</sup>**

Consultation is considered a formal, public and organized process, with stages that respond to legal or regulatory obligations, as well as principles of universal best practices, with the goal of gathering inputs regarding an extractive project.



#### **Collaboration:**

These are the actions in which the communities, the extractive company or the government develops knowledge products or in which the community itself participates in training initiatives to add skilled human capital that may benefit local economic growth.



#### **Partnership**

These are the actions in which communities are included and financed so that they become responsible for implementing a project or project component related to the extractive project.



## 1.1. The three stakeholders in extractive activities

All extractive enterprises (mining or hydrocarbons) have three stakeholders that are constantly interacting: the extractive industries, the government and civil society.

### 1.1.1. Extractive companies

The term “extractive industry” refers to all companies—public or private—that aim to extract natural resources.<sup>6</sup> It also includes companies that provide services directly related to the extraction process (for example, companies that supply drilling rigs). At the same time, it excludes all companies involved in commercialization, such as pipeline managers, ships, gas stations, etc. In the context of this technical publication, artisanal and small-scale mining is not included.

Extractive companies operate in the peripheral regions of the world, trade in international securities markets, employ state-of-the-art technology, and interact locally with governments and communities. Across the world, extractive companies belonging mostly to global trade associations have been promoting a series of initiatives to strengthen their engagement with local communities. The mining industry has the International Council on Mining and Metals (ICMM), which is a leader in the field of social responsibility within the sector.<sup>7</sup> This organization is led by industry CEOs and dedicated to sustainable development. Founded in 2001, ICMM brings together 23 of the leading mining and metals companies in the world, as well as 34 regional, national and commodities associations. These companies and associations are committed to improving their performance in sustainable development and the responsible production of the mineral and metal resources that are required on a social level.<sup>8</sup>

Similarly, the hydrocarbon industry has the International Association of Oil & Gas Producers, founded in 1999 as the leading global voice of the industry.<sup>9</sup> Members of the association produce more than a third of the oil and gas consumed worldwide. The association operates by supporting industry regulators to improve safety and environmental and social performance. It is also a unique space where members of the association exchange knowledge and best practices to improve health, safety, the environment and social responsibility.<sup>10</sup>



For industries, the presence of governments with clear regulations and engagement with the local population are key elements for including all interested parties and achieve the greatest success of operations. Experience has shown that companies strive for continuous engagement with local communities, in order to build trust and generate support for the extractive project by a majority of the population. There is a growing trend in which companies consider the population as a potential ally for the project's implementation, with whom it is necessary to build trust, develop effective communication channels and agree on rules for an engagement that may produce positive results and impacts for all stakeholders.<sup>11</sup>

Thanks to the results of this diagnosis, it was found that most companies promote exchanges with communities that go beyond sharing information or maintaining informal dialogues, promoting and developing engagement plans that may help minimize negative impacts and increase the social and economic opportunities provided by the extractive project. In this sense, civil society has reached a critical mass and—together with responsible companies—has promoted and adhered to voluntary principles on human rights and business practices,<sup>12</sup> while also respecting and advancing other social and economic rights.<sup>13</sup>

It has also been pointed out that there is an interest in promoting local businesses by connecting them to the extractive industry as suppliers of goods and services. This has helped strengthen the local economy, driven by the extractive sector and leading to a shared interest with the government.<sup>14</sup>





In the same line, the diagnosis has provided evidence of how the industries manage community engagement and assign human and technical resources.<sup>15</sup> On the other hand, companies dedicated to exploration activities in the first phase of an extractive project usually do not have the financial resources to develop partnerships and collaborative processes, since these require planning and investment of significant human and financial resources, and therefore informative activities and initial dialogues are critical. On another note, some projects in the exploitation phase do not have enough pre-assigned human and financial resources for effective company-community engagement. Since some companies do not have engagement plans, they may fail to communicate the opportunities and limits of their actions<sup>16</sup>

During the implementation of a project, the government—both national and local—and the company are in a situation that requires collaboration, and they both have complementary roles in their engagement with the community. However, their respective roles are not always clear, and they do not always possess the skills required to fulfill these roles.<sup>17</sup>

This diagnosis has revealed that engagement in the extractive sector has been driven by important progress in the design and implementation of Corporate Social Responsibility (CSR) principles. According to the ICCM, companies have improved their practices in areas such as transparency, human rights and the environment and are looking for ways to contribute to sustainable development at the national level in the territories where they operate.<sup>18</sup> Many extractive companies have CSR policies that include programs which promote productive capacities, as well as health programs, improvement of local infrastructure and formal education.<sup>19</sup>

## 1.1.2. Government

The national governments of the region,<sup>20</sup> regardless of their political party orientation, have implemented policies to attract foreign direct investments for projects that include extractive industries.<sup>21</sup> The high prices of raw materials have increased the tax revenues of the countries of Latin America and the Caribbean and have increased investment and economic activity. Some governments in the region saved a portion of the revenues and others used that income to increase fiscal spending. This is why the price reduction in early 2008 and more strongly between 2012 and 2013 has had different impacts on the development of these countries.<sup>22</sup>

The boom in raw material prices has had an impact on poverty reduction and the growth of the middle class in the region.<sup>23</sup> The extractive sector has also had positive effects on employment; however, its contributions have been relatively modest compared to the total Economically Active Population (EAP). In the countries selected for the diagnosis, the percentage of employment in the extractive sector compared to the PEA is around 1%, with the exception of Chile where it exceeds 2%.<sup>24</sup>

Governments seek to adapt their institutional and legal frameworks to continue capturing revenues through the extractive sector. The price reduction for mining and oil resources since 2013 has led national governments to create attractive regulatory frameworks that ensure the economic and legal stability of investments in the sector, which frequently raises dilemmas in terms of how to balance this situation with its role as a regulator of extractive activities and a guarantor of human rights and natural resources.<sup>25</sup>



In recent decades, Latin American governments have strengthened their democratic and institutional systems, efficiently managed their macroeconomics and implemented inclusive social policies in order to reduce poverty and inequality. Even so, the end of the boom in raw materials has revealed structural problems in several countries of the region, related to fiscal and institutional matters, as well as other social, political and economic issues.<sup>26</sup>

National governments create the regulatory and institutional frameworks in which companies and local populations can engage. In terms of safeguarding the rights of the communities that surround the extraction zone, as well as other interested groups, this study shows that some engagement levels are clearer than others. Particularly noteworthy is the consultation with Indigenous Peoples, which has been included in their legal frameworks through the ratification of Convention 169 of the International Labour Organization.<sup>27</sup> Peru is the only country in the study in which such consultations are governed by a law, whereas Chile, Colombia and Mexico have regulations at the decree level for this purpose.<sup>28</sup>

Meanwhile, it was also found that the level of access to information is strongly regulated through legal frameworks. Every country has legal regulations that facilitate general access to information, and environmental laws specifically provide for access to information on the condition of nature. The development and approval of Environmental Impact Assessments often includes significant rights for the local population, such as access to information, consultations and other forms of stakeholder engagement.<sup>29</sup>

Regarding the institutional framework for the extractive sector, the national government is made up of different ministries that do not necessarily share the same priorities, although their operations are governed by general public policy guidelines. In all the countries in the diagnosis, it is the ministries of Mining and Energy that design the policies for the extractive sector and control their compliance.<sup>30</sup> On the other hand, there are ministries that aim to protect the environment and are in charge of approving environmental licenses. Depending on the country, other ministries may also engage with the local population. For example, in Chile the Ministry of Social Development, through the National Indigenous Development Corporation (CONADI), coordinates the action of the State in favor of the integral development of indigenous communities.<sup>31</sup> In contrast, the Ministry of the Interior leads the dialogue with local communities in Colombia. In Peru, the National Office for Dialogue and Sustainability is the coordinating entity for the rapprochement between the different stakeholders, and is very focused on extractive industries, although its role has diminished in recent years.<sup>32</sup>

Besides the executive branch, the countries analyzed in this diagnosis have other government stakeholders at the national level that engage with businesses, communities and the State in the extractive sector. The Ombudsman's Office (Defensoría del Pueblo) acts as guarantor of Human Rights and in some countries, such as Peru, it is also an important promoter of dialogues at the local level. In Mexico, the state-run company

PEMEX designs the engagement policies for the oil sector. The Constitutional Court of Colombia, in the absence of a law regulating prior consultation, has helped provide substance for this international standard.<sup>33</sup> In short, a series of national government stakeholders participate in the engagement between businesses, the State and civil society. Although this activity may cover potential regulatory gaps, it also increases the risk of a lack of coordination between the different spaces, on the one hand, and between these and other stakeholders such as companies and communities, on the other.<sup>34</sup>

The diagnosis also found that the engagement between the national government and local governments would benefit from a higher level of coordination and communication, which is necessary to reach agreements on standards and conditions for the implementation of extractive projects.<sup>35</sup> While the powers over the extractive sector are centralized and concentrated in the national government, local governments play a crucial role as representatives and counterparts for the local population. They are key stakeholders in achieving agreements that include benefits for all the stakeholders.

**The diagnosis shows that the relationship between national and local governments would benefit from a higher level of coordination and communication, which is necessary to reach agreements on standards and conditions for the implementation of extractive projects.**

The possibilities for engagement with local governments depend on their perspectives and policies regarding the extractive sector. The diagnosis shows that, for example, Argentina has provincial governments with regulations that are favorable to the development of a responsible extractive sector, while seven other provincial governments within the country have passed laws prohibiting open-pit mining projects or those that use chemical substances such as cyanide in their processes.<sup>36</sup> In Colombia, until mid-2017 the Municipal Councils of five Colombian municipalities have approved popular consultations on extractive projects, and the population has voted against these projects in every single consultation.<sup>37</sup>

Local governments are not only important counterparts in dialogues and collaborative processes, but also play a central role in ensuring that the resources from the extractive sector are effectively invested in works that benefit the communities surrounding the project. Depending on the country, up to 50% of tax revenues are distributed to local





governments, with Chile being the country in which revenues are most centralized and Colombia and Peru being the countries with the highest proportion of decentralized resources.<sup>38</sup> An important condition for resources to contribute to local development is the ability of subnational governments to coordinate investments and carry them out efficiently. Resources are an opportunity for development and for transforming local dynamics and economies, as long as the territories possess the capacities necessary to take advantage of this opportunity.<sup>39</sup>

The diagnosis shows that coordination between different levels of government, extractive industries and civil society increases the opportunities for resources from the extractive sector to contribute to local development.<sup>40</sup> For example, in Argentina, the three sectors established a local development agency that helped the local economy—which was based on wool production and was going through a severe crisis—recover and generate productive alternatives. The mining company that operated in the area encouraged the creation of this agency, participated actively in it, and financed some of the projects it prioritized. Another example is the Good Neighbor Roundtable (MBV), which brings together all three stakeholders in a Chilean municipality and directs the investment of the extractive sector towards new possibilities for economic development.<sup>41</sup>

For local governments, it is very important that the investment of resources is oriented to a territorial development plan and a territorial planning process, thus enabling resources to be allocated to the works most relevant for local stakeholders, while respecting local government plans in regard to its environmental, economic and social potential; and it is even better if these processes are developed in a comprehensive, participatory manner. According to this perspective, the extractive sector should be “a guest in this process,”<sup>42</sup> which contributes and adds value to the consensual development plan agreed between the different populations and based on the reality of the territory.

At all levels of government, especially in countries with little extractive tradition, there is a demand for more training and education on issues related to the extractive sector. At the level of local governments, it is necessary to hire more specialized technicians in these areas. A greater knowledge of the extractive sector will facilitate a more equitable negotiation between local governments and extractive companies, and will help consolidate and improve their engagement practices, which in turn will result in more benefits for the local population.<sup>43</sup>





### 1.1.3. Civil society

Civil society is made up of a wide range of non-profit organizations and human groups that represent social, cultural and ethnic sectors and interests. Its scope of action can be both rural and urban, as well as local, regional or international. At the national level, there are foundations, professional associations, non-governmental organizations (NGOs), academia, social movements, confederations of indigenous peoples, churches, or foundations of the extractive companies that finance development projects, and trade unions. At the local level, there are communities, community organizations, associations, indigenous groups and afro-descendant groups. Civil society organizations (CSOs) can be formal (legally registered in their respective countries) or informal (groups not officially registered).

The diversity of civil society is also reflected in the different roles assumed by its organizations in their engagement with the private and public sectors in relation to extractive activities. The diagnoses of all the selected countries show a polarization of society between opponents and supporters of the extractive sector. But they also reveal a diversity of positions and roles of civil society regarding the extractive sector, which cannot be reduced to a simple “yes or no” to extractive activity.

On the one hand, the countries analyzed have CSOs that create and strengthen spaces for engagement between companies, the State and the communities themselves and facilitate communication between the three stakeholders at the national and local levels. On the other hand, there are CSOs that implement a critical perspective, seeking to influence public policies and generate information that may help extractive activities respect both community rights and environmental and social standards. Finally, there are several CSOs that unconditionally oppose extractive activity and promote and accompany actions of resistance by the local population .

**Civil society has diverse positions and roles regarding the extractive sector, which cannot be reduced to a simple “yes or no” to extractive activity.**

The diagnosis revealed that universities in Argentina, Chile and Mexico play an important role, not only in the areas of academic training, research and knowledge transfer around extractive activities, but also in building bridges between stakeholders with conflicting interests. Generally, universities have legitimacy, since they are considered institutions

with a high degree of technical knowledge, and are therefore guided by this knowledge and perceived in a more neutral role. One example is the Negotiation, Mediation and Dialogue Program (Prodiálogo) of the Center for Research and Teaching in Economics (CIDE), one of the most prestigious universities in Mexico that organizes multi-sector forums and workshops to promote dialogue on the extractive sector.<sup>44</sup>





**Universities play an important role, not only in the areas of academic training, research and knowledge transfer around extractive activities, but also in building bridges between stakeholders with conflicting interests.**

Other key stakeholders are the communities near extractive projects, who are stakeholders with a decision-making role regarding extractive projects. Companies must obtain a social license, which implies a certain degree of consent among the communities in order to develop their project.

This diagnosis includes cases in which the communities near extractive projects consider the projects to be development opportunities and are willing to engage with the company to achieve concrete and tangible results. In these processes, communities have committed to respecting their own visions of development and engaging with companies based on the fulfillment of that vision. They also assume commitments with the national government must establish in order to ensure its institutional presence in the territory and guarantees for the protection of their rights. Access to information, trust, equity in collaborative processes, participation in decision-making and transparency are additional interests that guide the actions of communities in engagement processes.

The diagnosis shows the evolution of engagement with respect to the investment of resources in indigenous territories. Many of the best practices report the strengthening of community assemblies and other traditional decision-making mechanisms through the presence of the company in these spaces in order to share information and seek the consent of indigenous organizations. In Colombia, the intercultural approach towards the Cerrejón company's engagement, with safeguards for the Wayuú people, included respect for their worldview, the use of the Wayuú language and the inclusion of traditional indigenous authorities in the negotiating committee. Thus, the company responded to the indigenous peoples' demand for participation and self-determination, understood as the right to own, control, manage and develop the territory.<sup>45</sup>

## 1.2. The costs of conflicts

A poor engagement process in which community complaints and concerns add up and go unresolved for long periods of time causes and intensifies conflicts, which in turn has consequences for the company, the State and the community.

At the community level, conflicts generate very high costs. A study that analyzed the costs for the communities of six large-scale investment projects (two agro-industrial, two energy, and two mining projects) discovered the following types of costs generated by conflicts at the community level:<sup>46</sup>

1. Financing the opposition movement (payments for leaders, media and advertising campaigns against the project, social networks).
2. Financing legal counsel in order to present lawsuits against the project.
3. Financing technical studies to contrast with company reports.
4. Financing transportation for mobilizations, informative meetings and visits to political authorities.
5. Depreciation of housing and economic activities that are near the project and assuming environmental impacts.
6. Tearing of the social fabric, since conflicts cause psychological and emotional effects, mistrust, competition and insults between the inhabitants themselves.

For the State, this same study indicates, above all, the expenses related to the increasingly expensive environmental licensing process and to possible lawsuits and expert studies. In addition, the State faces costs for personnel to deal with conflicts, potential police and military expenses, and must also assume political costs. The country as a whole can lose productivity and income, general competitiveness and foreign investment.<sup>47</sup>








The calculation of the costs of conflicts for companies results from the difference between the cost of preventing and addressing conflicts (related to security, recruitment of specialized personnel, training of personnel, among others) and costs arising from the outcomes of the conflict (project modifications, material damages, loss of productivity, reputation, among others).<sup>48</sup> In addition, the delay in the start-up of the project represents the highest cost mentioned. Particularly noteworthy are the costs derived from the bad reputation generated by a poor engagement, which hinders the search for new capital and the prospects for starting an operation in a new country.<sup>49</sup>

In a consultation conducted by the Fraser Institute, 36% of the mining companies surveyed stated that public opposition to mining has negatively affected the government authorization process, resulting in delays or rejections of permits. The majority said that the arguments made by the opposition to the extractive sector were environmental or pertaining to the rights of indigenous peoples.<sup>50</sup> Another study indicates that of a total of 200 infrastructure projects that faced some type of conflict, 36 were suspended due to conflicts, 162 faced delays and 116 had cost overruns.<sup>51</sup>



According to a study by the international network BDO International, the biggest concern for international mining executives are the existing and potential delays of mining projects. In a survey, high-level financial executives from the United States, South Africa, the United Kingdom, Australia and Canada expressed their concerns about access to capital and loans during 2013, mainly due to the interruptions observed in various mining projects. The main concerns of these executives were related to environmental and regulatory issues, high infrastructure costs and geopolitical conflicts that led to project disruptions.<sup>52</sup>

In 2008, an analysis of 190 projects by largest companies in the oil sector showed that the time period until the start of operations had almost doubled over the previous decade. The reason was the increase in costs. A more detailed analysis showed that non-technical risks made up 50% of the total risks and that, within this 50%, the most significant risk was engagement with other stakeholders.<sup>53</sup> Another study of 19 gold mining companies found that two-thirds of their market valuation was the result of their engagement practices with key stakeholders and only one-third was based on the value of gold in the territory.<sup>54</sup>

The above imply a risk perspective, where the costs of conflicts also indicate the need for timely planning of the engagement between the company, the State and civil society. This engagement must address and balance the diverse needs and interests of all stakeholders and thus allow for a better investment climate and the achievement of common benefits for all parties involved.



## 2. BEST ENGAGEMENT PRACTICES BETWEEN COMPANIES, GOVERNMENTS AND CIVIL SOCIETY





The following section presents detailed findings on the best engagement practices identified and validated in Argentina. The analysis of each country begins with a summary of the context, best practices, stakeholder mapping and legal framework. Subsequently, best practices, the parties involved and the legal framework in which said best practices are implemented are described in further detail. The main conclusions and recommendations are presented at the end of the document.







## 2.1. ARGENTINA

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### 2.1.1. Summary

#### Context



**Economic:** in 2016, the extractive sector contributed 3.8% to the GDP.<sup>55</sup> The most important metallic minerals were gold and copper. The gold and copper complex as a whole contributed 4.6% of the country's total exports, while the oil and gas complex participated with 3.3%.<sup>56</sup> Most of the tax collection was made through national taxes (profits, bank credits and debits, added value). Through the federal co-participation system, in 2017, the Nation retained 37.89% of the total national co-participation taxes, 3.75% of the City of Buenos Aires, and 1% of the National Treasury Fund Contributions to the Provinces, and provincial states received approximately 57.36%.<sup>57</sup> In terms of employment, in 2016 there were 80,867 jobs in the extractive industry.<sup>58</sup> That represents 0.5% of the Economically Active Population of Argentina in 2016.<sup>59</sup>

**Social:** Argentina is known for having a civil society that is organized, increasingly informed and environmentally aware. The "Self-Convened Neighbors Saying No to the Mine"<sup>60</sup> movement opposes mining activity and has a territorial presence and an influence on public opinion. The Argentine Platform for Dialogue on the Sustainable Use of Natural Resources, which includes different sectors, is a point of reference for discussions on extractive activities.<sup>61</sup> The Environmental Justice Atlas shows 26 conflicts in Argentina, 23 of which correspond to the mining sector.<sup>62</sup>

#### Best practices



**Ties to the community, identified in social basins, through the association of companies** (1994-2017, Information/Dialogue/Collaboration). Mining companies located in the same impact area coordinate ways to inform the communities and reach agreements on viewpoints and work areas on social issues, with the multi-sector roundtable as the space where the interests of civil society and the local government converge. The provincial government plays a role of coordination and oversight.

**Signing of easement agreements in the mining sector** (2012-2017, Dialogue/Collaboration/Partnership). In community assemblies, the company presented detailed information and reached agreements that have authorized the exploitation of the deposit and established "easement" payments, as well as training, basic infrastructure, health and education projects, among others. The company has developed protocols for communication and exchanges that have facilitated a permanent, direct and fluid dialogue.

**Creation of Development Agency** (2006-2017, Collaboration). The agency brings together representatives from the public, private and academic sectors whose first step was to prepare the Participatory Sustainable Development Plan, which receives financial contributions from the mining company.

## Stakeholder map



### Open program for strengthening Small and Medium Enterprises in a town

(2005-2017, Partnership). Together with public stakeholders, civil society and representatives of the academy, it coordinates a program for strengthening small and medium enterprises, whether they are company suppliers or not, so that they may professionalize their management, certify their processes and develop their products and services through training, access to loans and technological-industrial, commercial and financial consultancy.

The private sector includes companies, mainly of foreign capital, associated through chambers of commerce and companies providing services and products. One exception is YPF (Yacimientos Petrolíferos Fiscales), the Argentine energy company, which has public capital (complemented by private capital) and a long history as the “Argentine flagship.”

In the public sector, the Ministry of Energy and Mining is the national entity responsible for designing the country’s mining and energy policy, while the Ministry of the Environment and Sustainable Development is responsible for protecting the environment. At the provincial level, but also of national impact, these areas are represented by the Federal Mining Council (COFEMIN), the Federal Energy Council (CFE) and the Federal Environmental Council (COFEMA).

Within the framework of extractive industries, there is an organized sector of civil society composed of CSOs with different positions on extractive activity, as well as technical and academic organizations with a very significant role and presence in all provinces with extractive activity. Many provincial states have indigenous communities with varying levels of organization and recognition, although these have not yet formed an association to represents them nationally.

## Legal and regulatory framework



In terms of community engagement regulations, Convention 169 of the International Labour Organization (ILO) on the rights of indigenous peoples was approved and ratified in 2000. The General Environmental Law (25,675) enacted in 2002 determines the responsibility for sharing information, establishes an integrated national environmental information system (articles 16-18) and establishes the right to consultation (Article 19-21). The Law on Access to Public Information (27,275) is a key tool for promoting citizen participation in transparency and oversight of the public administration. It was enacted in 2016 and has been in effect since September 2017. The Argentine Chamber of Mining Entrepreneurs (CAEM) has announced the inclusion of the “Towards Sustainable Mining” (TSM) initiative.



### 2.1.2. Introduction

The federal character of Argentina established in the 1994 Constitution determines that “the provinces have the original control of the natural resources present in their territories.” In this context, the relationship between the provincial states and the national state is decisive for the existence of a national policy for the mining and hydrocarbon industries. At present, the Nation-Province relationship, as well as the levels of engagement between society, the State and the company in each of the provinces, is very unequal from an institutional and even from a regulatory perspective. This disparity is illustrated in the fact that there are provinces with laws that authorize open-pit mining, while it is banned in other provinces.

Similarly, at the provincial and municipal government levels, the public sector has issues that are also present in various degrees, depending on the jurisdiction, in the areas of institutional capacity, short-, medium- and long-term planning, transparency in information on the management of public resources, availability of economic and human resources, installed capacities of the personnel, credibility in its comptrollership role, and participation in the company/society/State triangle.<sup>63</sup>

In Argentina, socioenvironmental conflicts have arisen since the beginning of the 2000s, mainly related to prospecting and metal mining activities, especially due to water use and its possible contamination. As a result of these conflicts, seven provinces (Chubut, Tucumán, Mendoza, La Pampa, Córdoba, San Luis, Tierra del Fuego)<sup>64</sup> have enacted laws that prohibit open-pit metal mining projects and/or those that use chemical substances such as cyanide in their processes. There are at least two exploration mining projects that have been unable to advance towards implementation due to the opposition of local organizations to open-pit mining with the use of hazardous substances: Famatina in the La Rioja Province and Esquel in the Chubut Province, a conflict that ended in the passing of a provincial law that prohibits this type of mining.<sup>65</sup> In the fields of oil and gas,



in recent years movements have appeared in opposition to the use of fracking in mining operations. This is mainly observed in the Vaca Muerta field, in the Neuquén Province.<sup>66</sup>

The field investigation for the diagnosis found that the civil society was divided into two positions regarding extractive industries. One segment of society, consisting mostly of environmental organizations and inhabitants of nearby towns that believe extractive projects do not improve their living conditions and that suffer the consequences of high levels of immigration, with the subsequent collapse of infrastructure, the appearance of new social problems, and the fear of negative environmental impacts that may be caused by the activity; and another segment, which highlights the extractive industry as a generator or engine of growth with a strong multiplier effect on the economy in areas with little or no possibilities of developing productive alternatives.

### 2.1.3. Best practices

Argentina has produced different experiences of engagement between the government, the productive sector of extractive industries and the communities. These are mostly developed on the local level, that is, in towns that are being impacted by mining or hydrocarbon enterprises. However, there are some examples where they were implemented nationally, such as the case of YPF with its energy education program at the information level.

The stakeholders include the companies, the government through its various provincial or municipal institutions and agencies, and civil society, which includes urban and rural populations, as well as minorities (native peoples such as the Kollas, the Huarpes, the Mapuches) or vulnerable groups (such as at-risk youth).

The actions include every engagement level considered in this study (information, dialogue, collaboration and partnership) except for public consultation. There have been no cases of public consultations either within or outside the framework of the ILO regulations on metal mining projects as part of the process of communication between the private sector and the community. Other types of consultation have been carried out, such as public hearings. At the information level, companies are usually the main promoters of actions and activities, while, in cases of dialogue and collaboration, the private sector works together with the rest of the stakeholders, and in the case of partnerships it becomes the source of funding for projects executed mainly by civil society organizations.

In Argentina, the following best practices have been identified and validated<sup>67</sup>:

*2.1.3.1. Social Basins as an area of intervention*

*2.1.3.2. Signing of easement agreements*

*2.1.3.3. Creation of Development Agency*

*2.1.3.4. SME Program*

### 2.1.3.1. Social Basins as an area of intervention

#### ENGAGEMENT LEVEL



Information



Dialogue



Collaboration



#### DURATION

1994 – 2017<sup>68</sup>

#### MAIN STAKEHOLDERS

Mansfield Argentina, Salta Chamber of Mining, Secretariat of Mines of the Salta Province, Municipality of Tolar Grande, Kolla community.



#### DESCRIPTION

**Gold discovery:** in 2000, Mansfield Argentina discovered gold in the Lindero project, near Tolar Grande. The project is currently in the construction phase.

**Partnerships with local mining structures:** the Mansfield company joined the dynamic of the Salta Chamber of Mining, which, in turn, developed a process of coordination between members under the “Social Basins” identity, incorporating towns that were impacted by several mining companies simultaneously (still in different stages of the process).

The Chamber of Mining brings together different companies to coordinate community engagement work. These companies meet and reach agreements on next steps and actions, and each decides what it wishes to contribute (generally in relation to the status and size of their project or undertaking).

Mansfield Argentina shares the “Cuenca Social” with Corriente Argentina S.A. (copper, economic study stage), Litio Minera Argentina (lithium, economic study stage), Regulus Resources Inc. (copper, economic study stage) and POSCO (lithium), among others. Mansfield is currently the only company initiating the construction phase for future exploitation.

**Coordination:** the companies coordinate lectures to provide information. These lectures are always overseen by the provincial government, which writes an agenda that includes community needs, concerns and interests, as well as commitments made by the companies.

**Oversight:** the Provincial Secretariat of Mining acts as the coordinator and supervising entity of the “Social Basins,” inviting the companies and communities, drafting the minutes, and then distributing it among the parties involved.

**Multi-Sector Roundtable:** also, as part of this process, a multi-sector roundtable has been established in Tolar Grande (communities, intendancy, police, school, church, among others) that receives and requests information on issues of concern or interest to the community. This roundtable represents the interested party in the community and attends the events.



## MAIN IMPACT/OUTCOME

Previously, the presence of several companies in the Salta Province contributed to spreading confusing, contradictory and deficient information to the communities, and to pursuing individual actions. With the introduction of the concept of Social Basins, the communities now have a space to raise their concerns and obtain a unique and consensual response from the business sector regarding a process being monitored by the State. In its first phase, it focuses mainly on sharing information about the projects.<sup>69</sup>



## INNOVATION<sup>70</sup>

In a highly competitive sector, companies usually work individually. This best practice changed this way of working. The innovative factor is “teamwork” between the companies and with the communities and the provincial and municipal government, in such a way that the information **mechanisms** (demand and supply) are shared in a fluid and enriching manner by all the sectors involved, avoiding speculation and opportunism.



## PARTICIPATION, RELEVANCE, SUSTAINABILITY<sup>71</sup>

- Institutional participation: This practice integrates unilateral and bilateral mechanisms to inform and receive information through meetings held by the company with the multi-sector roundtable.
- Methodological relevance: The grouping of companies was highly positive, setting priorities and ensuring continuity of the policies implemented (timely and quality information).
- Institutional sustainability: The engagement process is developed through institutionalized communication channels. The Provincial Secretariat of Mining has personnel dedicated to the issue of community engagement.



## APPROACHES<sup>72</sup>

Diversity Approach: from an intercultural perspective, the company connects with indigenous and peasant communities located near the project.



Conflict Transformation Approach: those who lead this project have a vision of conflict as a natural part of human relationships and as a driver of change.



### LESSONS LEARNED

Working agreements between peers are enriched by the experiences and knowledge shared by all. The social license, understood as the community's approval of the activities undertaken by the company, implies constantly working with civil society, since new questions or concerns may arise. Thus, in the Chamber of the Salta Province, each company makes its contribution both in financial resources and in knowledge and expertise, according to their abilities to develop community engagement.



### VALIDATION

The practice was validated through a field visit which included interviews held with representatives of the municipal government, the deliberative council (legislative power), the school and the Kolla community. Several interviews were also held with the CEO of the company.



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### 2.1.3.2. Signing of easement agreements

#### ENGAGEMENT LEVEL



Dialogue



Collaboration



Partnership



#### DURATION

2012 – 2017



#### MAIN STAKEHOLDERS

Minera Exar. Indigenous communities of the Atacama group.



#### DESCRIPTION

**Lithium extraction and indigenous peoples:** the Cauchari-Olaroz project for the exploitation of lithium is located on indigenous lands belonging to the communities of Puesto Sey, Pastos Chicos, Huancar, Olaroz Chico and Susques, located in the Department of Susques, Jujuy Province.

**Land use permit:** these particular communities must explicitly grant permission for the development of the activity on their land, since they are the owners. Without it, the courts would have to resolve the conflict.

**First rapprochement:** in 2008, Minera Exar began its exploratory activities and made contact with the villagers living near the deposit. In this context, it participated in two community assemblies where it explained the project and requested the signing of an agreement to begin exploration.

**Presentation of reports:** its participation in these assemblies gradually increased as the project moved forward. More than three environmental impact reports, plus a baseline report, were presented before submitting the Exploration Environmental Impact Report.

**Signing of agreements:** in 2011 and 2012, after exchanging many ideas, positions and interests, the company and the indigenous communities reached agreements that resulted in the signing of contracts that authorized:

The exploitation of the deposit in exchange for “easement” payments.

This included an additional contribution in the form of training, basic infrastructure, health and education projects, support for municipal, sports and religious institutions, in other words, a kind of “development plan” established in agreement with the community based on the needs it expressed.

The communities individually hired a lawyer chosen by them and paid for by Exar. The agreements were certified by a notary public and attached to the legal proceedings in mining, which is unprecedented of because it is not required.



**New commitments:** these actions were carried out and the agreements were renewed with new commitments. The easement agreements are updated every 5 years. The signing of six agreements responded to the fact that six communities of the Atacama People were involved in the project's impact area. It was a process in which the communities received advice from independent professionals.

**Protocols for communication and exchanges:** "the communication channels between the company and the community were institutionalized using patterns and processes that generated predictability. The company participates in the community assembly every month and whenever it is convened for a specific topic."<sup>73</sup>

**Institutionalization of engagement:** from the beginning, the company has featured a community engagement unit that is in permanent contact with the community and is responsible for developing programs to meet community needs: employment, training and economic aid for festivities, repairs to community buildings and schools, among others.



## MAIN IMPACT/OUTCOME

The result is the scope and signing of agreements that, on the one hand, allowed the company to carry out its activities with the approval of the community and, on the other, the community gained benefits for its local development through the implementation of the programs mentioned above in a participatory process.



## INNOVATION

The case of Exar was pioneering and became well-known in Argentina because it involved a company that worked with the community from the beginning of the exploration stage, and developed a relationship with indigenous communities that went beyond an exchange of information in search of a commitment to its own development, through agreements established through dialogue and consensus, in some ways voluntarily substituting the consultation that has not yet been approved in Argentina.



## PARTICIPATION, RELEVANCE, SUSTAINABILITY

- Institutionalized participation: there are spaces for dialogue between the interested stakeholders in which they present their needs or concerns. These spaces are provided in the monthly community assemblies in which the company is present.<sup>74</sup>
- Methodological relevance: the community actively participates in the design and implementation of the "development plans" that are of interest to it.
- Institutional sustainability: formal agreements are reached as a result of the dialogue processes that are reflected in the framework of easement agreements that are renewed every 5 years.





## APPROACHES

Diversity Approach: this practice required the company to include an intercultural approach, since the practice involves populations belonging to indigenous peoples.

Conflict Transformation Approach: the leaders who negotiated the agreements considered the conflict natural and constructive as they sought to find common ground between their positions.



## LESSONS LEARNED

This practice has contributed to building certain affirmations:

- Flexibility to receive contributions and shape proposals in the exchange with other stakeholders.
- Selection and training of the company's personnel in order to lead community exchanges.
- Planning of the community engagement policy and a corporate responsibility plan from the beginning of the project.



## VALIDATION

The practice was validated through interviews with independent professionals who participated in the negotiation of the agreements, as well as representatives of the indigenous community of the Atacama Group and the company's social responsibility department. The best practice was mentioned in the Multi-Sector Working Group held on June 28, 2017.



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### 2.1.3.3. Creation of Development Agency

#### ENGAGEMENT LEVEL



Collaboration



#### DURATION

2006 – 2017



#### MAIN STAKEHOLDERS

Cerro Vanguardia S.A., Chamber of Commerce. Representatives of the provincial government of the Santa Cruz Province, the Municipality and the Deliberative Council of Puerto San Julián (with representatives of the parliamentary majority and minority). Rural society of Puerto San Julián and the Universidad de Patagonia Austral.



#### DESCRIPTION

**Gold and silver extraction:** 1997 marked the beginning of the construction phase of the Cerro Vanguardia Project (gold and silver) in the Santa Cruz Province. The primary impact area, that is, the territory where the impact will be felt due to its proximity to the project, is Puerto San Julián, located about 150 km from the deposit.

**Context:** the main productive activity of the town and its surroundings has been sheep farming, but the countryside was suffering a process of desertification, as well as a drop in international wool prices. In addition, the Hudson volcano erupted in 1991, covering the province's central plateau with ashes. In this context, mining activity began to develop and has continued to expand to this day.

**Creation of the Development Agency:** in 2004, Cerro Vanguardia proposed the creation, management and implementation of a development agency to enhance the sources of socio-economic development for the community of Puerto San Julián. The agency includes representatives of the three sectors (provincial and municipal levels of government, business and civil society), which gives it legitimacy.

**Deed of Agreement:** in 2004, a deed of agreement was signed for the creation of the development agency, which has a board of directors composed of public sector, private sector and civil society representatives and to which the company contributes technical and professional resources.

**First consensus:** between 2004 and 2006, there was a consensus-building stage and a period of discussions and agreements for the creation of the agency, in order to establish its mission and vision, as well as its legal constitution and organizational structure.

**Development Plan:** the agency's immediate and specific goal was to prepare a Participatory Sustainable Development Plan for Puerto San Julián. The sectoral meetings and workshops began in December 2006 and the Plan was presented to the authorities and civil society in June 2008, comprising a wide range of elements and a 2007-2020 projection.

### **Project execution:**

In 2010, a framework agreement was signed between the development agency, the Municipality and Cerro Vanguardia S.A., with the goal of establishing a local support structure to facilitate the execution of the agency's projects through a financial contribution by the company, which is updated annually based on the company's profits.

### **Validation of the practice:**

after several years of operation, the development agency has been able to increase the social capital of the community. When validating the practice with representatives of the public sector (Deliberative Council) and civil society (Universidad de la Patagonia Austral), in addition to those who led

the practice for the company, observations were made to improve some aspects: rates of return on productive loans; efficiency of internal administrative processes; levels of contribution of the projects presented in the Participatory Plan; diversification between productive projects and others related to other facets of the sustainable development of a community.



### **MAIN IMPACT/OUTCOME**

Improvements and equipment for the local airport that will allow it to accommodate commercial flights, the cleaning of the municipal landfill through the program for Integrated Management of Municipal Solid Waste, and contributions to productive projects approved by the agency, among others, were developed during 2017, along with contributions to the cultural heritage of the territory. Before the company arrived, the local economy based on wool production was going through a crisis. With the arrival of mining, the region not only gained new investments, but also created a participatory space where the main stakeholders of civil society, the State and the company are represented in order to seek actions, projects and alternatives for a sustainable development of the town.





## INNOVATION

The use of a tool such as the “agency,” a non-profit institution that makes plans and decisions in a coordinated, multi-sector process, with municipal management and company resources, is an innovative mechanism. The agency makes a difference in terms of setting strategic priorities for the town’s development.



## PARTICIPATION, RELEVANCE, SUSTAINABILITY

- Inclusive participation: A multi-stakeholder space was created with the participation of representatives from different sectors (public sector, private sector, civil society) to perform a collaborative analysis of the best proposals for development in the town of Puerto San Julián.
- Relevance by demand: With the creation of the agency, the stakeholders have a long-term sustainable development plan for the town.
- Sustainability by consensus: given the participation of representatives from different parts of the community.



## APPROACHES

Sustainable development approach: this practice conceives of development as an integral and integrating model capable of coordinating the dimensions of reality (economic, social, cultural, and environmental) in a balanced manner.

Conflict Transformation Approach: the creation of a tool such as the agency implies a vision of conflict as an engine for transformation.

Diversity Approach: this practice involves urban and rural communities.



## LESSONS LEARNED

The search for agreements entails efforts to enable dialogue and seek a consensus that is compensated with the legitimacy of its actions. In this type of collaborative organizations, transparency is essential in order to maintain its credibility.



## VALIDATION

The practice was validated through interviews with representatives of the public and academic sectors that work at the agency, as well as company representatives. The best practice was mentioned in the Multi-Sector Working Group held on June 28, 2017.



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### 2.1.3.4. Small and Medium-Sized Enterprise (SME) Program

#### ENGAGEMENT LEVEL



Partnership



#### DURATION

2005 – 2017



#### MAIN STAKEHOLDERS

Pan American Energy (PAE) company, Chamber of Industry, Commerce and Production of Comodoro Rivadavia, Industrial Chamber of Puerto Madryn, Patagonia Region, private sector consultants.

Autarchic Entity of Comodoro Conocimiento (dependent on the Municipality of Comodoro Rivadavia).

Universidad de Patagonia San Juan Bosco in Chubut, Universidad de la Patagonia Austral in Santa Cruz, institutes and associations such as Israeli-Argentine Mutual Associations, Garantizar Mutual Guarantee Society (Sociedad de Garantías Recíprocas Garantizar), National Institute of Industrial Technology, and Argentine Institute of Oil and Gas, Technological Institute of Buenos Aires, Contributing to Local Development Foundation (Fundación Contribuir al Desarrollo Local).



#### DESCRIPTION

**The company:** in 1997, Pan American Energy was created as a result of the merger between Bidas and Amoco Corp (now BP). It is one of the main oil and gas producers in Argentina. This company operates in four of the country's main basins: San Jorge Gulf, Northwest, Neuquina and Marina Austral.

**Information gathering:** in 2005, PAE discovered that the regional socioeconomic context in the San Jorge Gulf region offered possibilities for strengthening the development of local Small and Medium Enterprises (SMEs) that were facing international competitors with highly competitive standards. This is why the SME Program was created to promote regional development by supporting local companies, with the unique aspect that it was open to all enterprises, regardless of whether or not they were suppliers of PAE and whether or not they belonged to the hydrocarbon industry.

**Program support:** the program helps professionalize the management of SMEs, certify their processes and develop their products and services through training and technological-industrial, commercial and financial consultancy. As part of its Corporate Social Responsibility (CSR) policy, PAE has focused its efforts on helping raise the level of professionalism and competitiveness of companies and entrepreneurs, as well as supporting them in securing loans. It also stimulates new developments by accompanying companies from the project-idea to the business plan.

**Spaces:** to carry out its activities, the program used the facilities of Comodoro Conocimiento (Comodoro Rivadavia Development Agency) and other spaces offered by institutions that interact with the PAE-SME Program in the region.

**Geographic expansion:** in 2005, the Program initiated and centered its activities in the towns of the San Jorge Gulf (GSJ) region: south of Chubut (Comodoro Rivadavia, Rada Tilly and Sarmiento) and north of Santa Cruz (Pico Truncado and Caleta Olivia). Towards the end of 2013, the Program also began to develop activities in the provinces of Neuquén and Salta (in the town of Tartagal), accompanying businesses and entrepreneurs from these regions. Thus, the program expanded to all the areas operated by PAE and was replicated according to the reality and needs of local communities.

**Beneficiaries:** this best practice was designed for the urban and rural populations. It was shaped by the company's needs and the community's potential.

**Coordination:** communication with the SME sector improved as people began to perceive that the company was relating to the community and that this would continue for a medium- to long-term period. PAE is seen as the coordinator of a partnership between SMEs and the State at all levels and as the entity with the technical knowledge to carry out the activities.



## MAIN IMPACT/OUTCOME

Through the program, the company created a space for interaction between companies of all different sizes, professionals and technicians, academia, and the public sector through the development agency

Actions were implemented to contribute to the development of projects and productive alternatives that could help bring economic growth to the community. The following impacts/coverages were observed: a) 33% of the SMEs in the program increased their turnover over the last two years; b) 262 open trainings were offered in administrative, financial and commercial management, communications, leadership and information technology, among others; c) in 2016, 34 "in-company" consultancies were provided; d) 70% of the companies that participated in the activities were PAE suppliers; e) 23 projects related to innovation, improvement and product substitution were submitted in 2016; and f) more than 3,400 SMEs and entrepreneurs participated in the program's activities since its inception.<sup>75</sup>



## INNOVATION

The program seeks to help develop the region where the company operates by supporting the growth of SMEs. The innovative aspect is that the company supports both suppliers and non-suppliers of the company, and that these can operate in the hydrocarbon sector or any other type of economic activity. Entrepreneurship is encouraged through contests and prizes for creating new businesses. The company acts as a coordinator between the different stakeholders mentioned above for the implementation of this program, and also finances it.





## PARTICIPATION, RELEVANCE, SUSTAINABILITY

- Institutionalized participation: SMEs request participation in “in-company” and open trainings, as well as consultancies offered by PAE.
- Relevance by demand: This practice addresses a specific problem (shortage of competitive suppliers) and solutions are proposed by local stakeholders.
- Sustainability by consensus: For 11 years, the company has financed this program through its partnerships with public and private entities, as well as independent professionals.



## APPROACHES

Sustainable development approach: This practice has a sustainable development approach, as it seeks to create and expand a diversified productive network.



## LESSONS LEARNED

The role of the three stakeholders is essential to advance towards common goals through the linkages between the State, CSOs (including universities) and the company.

The participation of a community with an entrepreneurial attitude has made possible the good results obtained by this type of program. The role of the company in building bridges with other sectors has also been vital to the program's success.



## VALIDATION

The practice was validated in a field visit through interviews with companies and entrepreneurs that participated in the Program, as well as representatives of the institutions it partners with, such as the Comodoro Conocimiento Development Agency and professionals and technicians. Representatives of Pan American Energy were also interviewed.



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<http://www.conocimiento.gov.ar>

## 2.1.4. Stakeholder analysis

The following are key stakeholders for engagement within Argentina's extractive sector:

### Companies

Mining, oil and gas companies seek to reach agreements with governments and communities that may allow them to develop their projects in exchange for their tax revenue and the contributions they make to community development through their Corporate Social Responsibility policies. To do business, they need to obtain social and legal licenses. They establish ties to civil society, academia and government and to their parent companies in order to determine their engagement strategies towards the community. Generally, these companies have human and material resources.

Through their corporate policies, they abide by various international protocols and initiatives in order to improve their practices in different areas (social, environmental, labor). For example, the Argentine Chamber of Mining Entrepreneurs (CAEM) announced the implementation of the "Towards Sustainable Mining" initiative, which seeks to improve the social and environmental practices of the mining industry. This is the second time that the TSM program has been adopted by a mining association outside of Canada, and the first time in Latin America.

The Mining Association of Canada (MAC) shares the program with other countries that are looking for tools to improve the environmental and social performance of their mining industries, including commitments with civil society and improvements in transparency and accountability.<sup>76</sup>

Meanwhile, some companies have suffered a significant loss of prestige and skepticism among the general public, particularly those that have had environmental incidents. On the other hand, the mining issue has become a topic on the agenda of politicians in their campaigns, where they position themselves in favor or against the activity.<sup>77</sup>

In the case of oil, an activity which has a long history in Argentina, and where YPF is the main hydrocarbon company with public capital, the conflict levels are lower. However, fracking extraction has generated an increase in these levels.

### Government

The ministries or directorates of Mining and Energy in the provinces are the authorities that apply the Mining Code and the provincial mining and energy laws, as a result of the federalization of natural resources found in the provincial subsoil. Their position is to promote and control the development of extractive activities in their jurisdictions, in compliance with national and provincial laws. Their interest is to ensure that companies fulfill all their requirements (e.g., submitting environmental impact assessments) and to act as a comptroller. Their need is to contribute to provincial productive development and maintain lowest possible levels of social conflict that the extractive activity could generate within the social dynamics.

The National Ministry of Energy and Mining promotes a responsible extractive activity that generates sustainable development in compliance with current national regulations and international protocols. Its interests include the creation of public policies at the national level that are accepted and implemented by the provincial states that own the natural resources. Its needs are to achieve a coherent, uniform mining and energy policy within the framework of federalism that helps attract investments for the development of

the industry. It has a territorial presence through the Federal Mining Council (COFEMIN) and the Federal Energy Council (CFE).

The Ministry of the Environment and Sustainable Development is the institution that safeguards the protection of the environment at the national level. The Ministry's efforts seek to ensure legal compliance and impose demands and sanctions on any groups that may affect the environment. Like the Ministry of Energy and Mining, it has a territorial presence through the Federal Environment Council (COFEMA).

### Civil society

Civil society organizations (CSOs) can be classified according to how they deal with the issue of extractive industries

#### ***CSOs that create multi-stakeholder spaces***

These organizations are characterized by maintaining a position of dialogue regarding extractive activities, as their objective is to create spaces for dialogue and to seek to generate ties between the State, civil society and companies. Their interest is to bring the parties closer together, enriching the debate and seeking out agreements that may work through and transform conflicts into solutions that incorporate the interests of the various stakeholders.

### **ARGENTINE PLATFORM FOR DIALOGUE**

One example of how some non-governmental organizations promote dialogue is the Argentine Platform for Dialogue on the Sustainable Use of Natural Resources. The Platform is a point of reference for advancing discussions on extractive activities, and consists of civil society organizations and universities. The Democratic Change Foundation (Fundación Cambio Democrático) advocated for the creation of the Argentine Platform for Dialogue on Mining, Democracy and Sustainable Development (now the Argentine Platform for Dialogue on the Sustainable Use of Natural Resources). Currently, it includes the Democratic Change Foundation, the Legislative Directory Foundation (*Fundación Directorio Legislativo*), Universidad Nacional de San Martín, Universidad de Buenos Aires, the Latin American School of Social Sciences (FLACSO), and Universidad Católica Argentina. The Platform enjoys legitimacy and has the capacity to build horizontal networks and bridges with the government sector and the private sector. However, it is missing a presence in the federal territory.

These organizations engage with other national and international CSOs, academia, the government, embassies of other countries, international organizations and the private sector.

Its main strengths are knowledge and expertise in mediation and conflict resolution; experience in mapping stakeholders and conflicts; ability to weave horizontal networks with civil society and build bridges with other sectors; capacity to propose solutions to the real needs of the stakeholders. Some of its weaknesses are the lack of a presence in the federal territory and insufficient material resources.



***CSOs that are critical towards extractive activities***

These are mainly environmentalist NGOs that are generally critical of extractive activities.<sup>78</sup> Their interest focuses on establishing a strict control of these activities and restricting them to certain areas within the territory, to certain forms of exploitation of the deposits, or to certain forms of processing minerals.

In most cases, their strengths are their human and material resources, their influence on public opinion and their legitimacy. Their main weakness is their weak capacity for building bridges with other sectors.

***CSOs that oppose extractive activities***

These are NGOs that are clearly opposed to mining activity. Their interest is to stop extractive activities, especially mining, which they believe may cause environmental disasters.<sup>79</sup> They do not seek to reach agreements or engage in dialogue and they represent more uncompromising, confrontational positions.

They have human and material resources, may influence public opinion, enjoy legitimacy, know how to reach the media, and have a territorial presence. Their lack of capacities for dialogue and consensual solutions is considered a weakness.

***The academic sector***

In this sector, the work of national universities that have areas of academic training, research and transfer related to extractive activities must be highlighted. Although the universities have different positions regarding these activities, they are interested in disseminating technical and academic knowledge about these industries for a better understanding of society. They need to help understand how extractive activities operate and the essentials of their existence for daily life. Some promote the training of professionals in these areas and contribute to reducing the levels of social conflict so that the industry may thrive and professionals may enjoy job opportunities in Argentina. Universities play an essential role in the Argentine social fabric.

One of the most active academic centers is the Universidad Nacional de San Martín (UNSAM).<sup>80</sup> UNSAM fostered a partnership with other public universities, joining forces with some private higher learning institutions to form a network of professionals that constitute the “Network of Academics for Sustainable Development,” which offers consultancies and assistance to decision-makers in the area of mining policy. UNSAM also participates in the Platform for Dialogue on the Sustainable Use of Natural Resources.

The strengths of the universities are technical knowledge, legitimacy and territorial presence, since there are universities in all provinces with mining and hydrocarbon interests. They work with the civil society and with companies.<sup>81</sup> One weakness is the lack of consensus among the academic units that make up these institutions.

***The trade union sector***

Trade unions seek to obtain benefits for their members (improvements in salaries and working conditions). Their need is the development and growth of extractive activity so that mining, oil and gas employees may have jobs. In the case of mining activities, there is a single union at the national level, the Argentine Mine Workers Association, with local representation in the main mining areas. In the hydrocarbon industry, although there is a union at the national level, the federalization of natural resources has led to the development of regional or provincial unions which have become more prominent, such as the Private Oil and Gas Unions of Chubut, Río Negro Neuquén and La Pampa, among others.

### ***Indigenous peoples***

In Argentina, many communities and indigenous peoples have requested the restitution of their ancestral lands.<sup>82</sup> In many cases, their complaints have been recognized by the State. Each indigenous people, meanwhile, is also divided into numerous groups. There are different positions regarding extractive activities between communities and within them. They have different types of relationships with the industry: from obtaining jobs in their projects, to submitting requests for information about the projects and their impact, to requesting their contributions for the development of the impacted locations, to demonstrations that oppose the activity. Each community has its own idiosyncrasy, and hence a greater or lesser involvement for or against the activity.

## **2.1.5. Legal framework**

Extractive activities are regulated through a series of rules. Only national standards are mentioned in this part. The provincial legislation is extensive and varies according to the jurisdiction where the extractive project is located.<sup>83</sup> Argentine laws on the engagement levels focus mainly on the levels of information and consultation. There is no legislation that deals with the other engagement levels..



### **Information**

Articles 16, 17 and 18 of the General Environmental Law passed in 2002 provide for an informative space that, among other things, includes the preparation of an Annual Environmental Report. This stopped being published a few years ago, but was resumed in 2016. The 2016 Report mentions some impacts of the extractive sector on water resources and biodiversity and mentions remediation activities at the closure of some mines.<sup>84</sup>

In addition, the General Environmental Law envisages the development of an integrated national environmental information system. This system would allow for the effects of the extractive sector on the main environmental parameters to be monitored. However, an information system that complies with this law has not yet been implemented.

In 2016, the Law on Access to Public Information (Law 27,275) was enacted, and it became effective as of September 29, 2017. Any citizen may request public information in the hands of the Executive, Legislative or Judicial Powers, and the State is also obliged to publish information in a format that is accessible, free, up-to-date and processable. Transparency in information plays a fundamental role in the relationship between the extractive industry and communities, particularly regarding taxes and royalties and the destination of these revenues.



### Consultation

In terms of public consultations, the Environmental Law establishes a space for citizen participation in articles 19 and 20 (right to be consulted, institutionalized public hearings or consultations). It also states that citizen participation must be ensured, mainly, in the environmental impact assessment procedures and the plans and programs for environmental organization of the territory.

*“The Mining Code does not provide, among other things, for citizen participation in the environmental impact assessment process, which the General Environmental Law does establish. In designing their legislation, the provinces should apply the principle of congruence, but each province regulates things differently.”<sup>85</sup>*


Public hearings are mandatory spaces for authorizing any activity that generates significant negative effects on the environment. The opinion of the participants is not binding for the convening authorities, but in the event that these authorities submit an opinion contrary to the conclusions of the public hearing or consultation, they must publicly present their grounds for doing so.

In the case of mining, there is a National Environmental Protection Law for Mining Activities (Law 24,585), which establishes the obligation to submit an environmental impact report to those responsible for carrying out mining operations but does not provide for a public consultation or hearing. However, some projects have carried out public hearing processes (e.g., Minera Triton Argentina).

ILO Convention 169 was ratified by the National Congress through Law 24,071 in 2000 but has not yet been incorporated into the regulations.



### 3. CONCLUSIONS AND RECOMMENDATIONS



The national regulatory frameworks, as well as the regulations regarding extractive industry, the environment, taxes and development in the six countries studied, heavily favor establishing standards for access to information and public transparency, which helps provide citizens with relevant information about the company, the project evaluation process, and in some cases the public revenue.

## 3.1. Conclusions

### On the economy, extractive industries and engagement with other stakeholders

- The extractive sector continues to play an important role in terms of its contribution to the Latin American economy, despite the end of the so-called “super cycle” of mining and hydrocarbon commodities. National regulatory frameworks were adapted to encourage the arrival of big investments in this sector, as can be observed in the opening of the hydrocarbon sector in Mexico—which was previously a state monopoly—with the energy reform of 2014. These policies have contributed to the arrival of international corporations that have raised community engagement standards and, as a result of greater tax revenues, and together with civil society, have helped promote multi-stakeholder mechanisms that favor transparency, such as the EITI, which has been operating successfully in some countries of the region.

### On regulatory frameworks and engagement levels

- The national regulatory frameworks, as well as the regulations regarding extractive industry, the environment, taxes and development in the six countries studied, heavily favor establishing standards for access to information and public transparency, which helps provide citizens with relevant information about the company, the project evaluation process, and in some cases the public revenue. Although these are not directly related to the extractive industries, the information they provide to the State as part of their obligations is subject to this regulatory framework and can be accessed publicly, without requiring a change in the law, but rather a better application of the law in the sector.
- Similarly, rules that consider citizen participation as a right to participate in the different stages of extractive activities are quite common in the six countries studied, and the public consultation mechanism appears as one of its dimensions.
- The information analyzed for each country shows that there are no specific regulations referring to other engagement levels, such as collaboration or partnerships; the exception is Peru, which instituted a rule in 2010 that establishes a prior commitment by the company towards the communities in the impact area as a precondition for developing extractive activities.
- In general, these are forms of engagement that are based on the corporate policies of the extractive industry. Dialogue is a mechanism that is found, in a broad sense, at all levels of community engagement and is incorporated into segments of the current regulations on participatory and consultation processes.
- Most of the countries in this study have signed ILO Convention 169, with the exception of the Dominican Republic, but only Colombia, Peru and Chile have designed regulations to implement it. In fact, in other countries the process depends on the interpretation of companies and local authorities, with the possibility of questioning the process or taking it to court, thus causing instability and insecurity for the parties.

## On practices, engagement levels and coordinating dialogue

- When practices are made up of several engagement levels, it is often the Dialogue level that articulates them. Broadly speaking, dialogue takes place through regular meetings and spaces with broad, diversified and inclusive participation by the various stakeholders, mainly from the impact area of the extractive project. Dialogues can evolve towards the creation of specific work agendas.
- Due to the degree of complexity required for its implementation, engagement at the collaboration and partnership levels usually occurs through a multi-stakeholder dialogue, in its more structured version, which is mainly used as the most appropriate mechanism for clarifying the interests and needs of the parties, as well as to build the necessary trust demanded by these complex processes and to negotiate mutual beneficial agreements.
- Multi-stakeholder engagement through dialogue, when properly organized and managed with a strategic, comprehensive perspective, can help contribute by implementing projects that are connected to local development plans, magnifying stakeholders' voices, influencing operational decisions and engagement plans, improving relationships and obtaining or renewing social licenses.

## On the main stakeholders

### Civil society

- Civil society organizations, especially NGOs and social movements, assume different roles in the extractive industry: as suppliers or contractors that execute development projects; building bridges and promoting collaborative processes; remaining critical of the how the industry has been operating; promoting discussions; advocating for public policies; guaranteeing the individual and collective rights of communities; or openly opposing extractive activity through resistance actions.
- Universities that enjoy legitimacy are important local resources, because they are trusted by a significant number of stakeholders and have the ability to build networks with key stakeholders with different characteristics, both in terms of producing knowledge and building capacities. They are seen as a specialized and impartial stakeholder for technical matters and for conducting research on the extractive industry; its contributions to the economy and development; water quality studies; education and training; social management and conflict prevention and transformation; among others.
- CSOs also play a role as a third party in engagement processes between communities and companies, either by impartially facilitating dialogue or negotiations between the parties, providing consultancy for these processes, training the company and/or community for adequate and constructive participation, acting as observers, or monitoring the implementation of development projects.



## State

- The relationship between the National/Federal Government and the Regional/State/Provincial and Local Governments tends to create tensions that are caused by policies and measures related to the governance of natural resources. In extreme situations, these tensions have eventually led to open opposition and rejection of the extractive industry. In Argentina, for example, some provinces have declared a ban on large-scale mining. It is therefore important that the different levels of government establish coordination mechanisms and inter-governmental dialogue for the concerted discussion and implementation of public policies related to sustainable economic development, and establish the role of extractive industries in the development of the country and its local territories.

## Companies

- Improving engagement with other stakeholders requires the commitment of companies and their associations to go beyond the tenets and requirements established by current regulations.
- The teams dedicated to social management and community engagement are essential for field operations, in coordination with the other areas of the companies. This internal coordination is important and necessary. In some cases, companies decide to hire or sign agreements with consultants, commercial or civil society organizations/entities specializing in social management and community engagement in order to promote it. In some cases, considering an external team to support community engagement can facilitate dialogue events, as well as providing an external perspective on the process.
- The main purpose of extractive industry associations is to represent the interests and needs of their affiliated companies. They can also help their members through other strategies such as capacity building, research, publications, databases and communication campaigns related to their activities, among others. They have the potential to be important contributors to sustainable development through projects designed to help companies with their community engagement processes by developing innovative perspectives, such as the best practice of the Social Basins of Argentina, where the Salta Chamber of Mining coordinates the engagement between different mining companies operating in a territory and the surrounding communities.

## On the issues related to practices

- Best practices can cover a very broad range of themes, related to the human needs and unfulfilled rights in social environments and to the operational needs of extractive projects. From a basic level of information about the project, all engagement levels allow for the inclusion of multiple issues, such as:
  - » Environmental issues, such as those related to water, air, noise, land use;
  - » Search for jointly agreed solutions with the community that are related to operational needs (health infrastructure, roads, electricity, drinking water, among others);
  - » Product manufacturing;
  - » Education and other basic services;
  - » Issues that concern specific groups such as women, senior citizens, indigenous communities and other groups in vulnerable situations;

- » Local development issues;
- » Establishment of continuous engagement within the framework of sustainable development and social licensing;
- » Strengthening community and local institutions, among others.

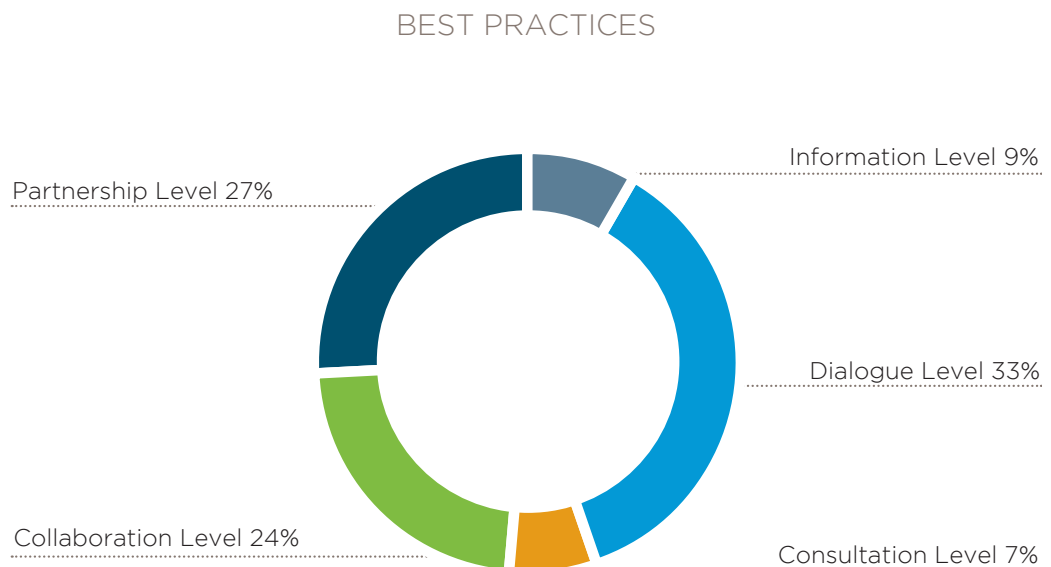
## On engagement

- *Contribution of the extractive sector to the national and regional economies:* all stakeholders acknowledge that the sector makes relevant contributions to the national economy. However, in some countries, local communities still feel that the industry has an outstanding debt in terms of strengthening local development.
- *Minimum engagement standards:* the extractive industry, unlike other economic activities, considers the issue of community engagement in the impact area a relevant matter, sometimes even a key aspect of the business, and not as a merely voluntary process. There is an awareness of the potential costs that a context of social risk may impose on the development of an extractive project.
- *What is required and what is voluntary:* engagement processes illustrate that industry and company behaviors are a result of both the standards defined by the State and the internal policies of companies (codes of conduct), as well as industry standards at the national and international level. However, the State is beginning to assume a more active role in defining minimum engagement standards based on recognized best practices, thereby reassuring both companies and communities on the best way to establish harmonious, constructive relationships oriented to sustainable development. In addition, the industry continues to make progress on voluntary policies that benefit the development of the territory in which the operation is located.
- *Civil society organizations:* in the last 5 years, CSOs have played an important role, achieving a certain degree of influence on public policy decisions in terms of proposing, accompanying and ensuring compliance with the regulations that govern extractive industry projects. Different levels (local, regional/provincial and national) of influence have recognized their contributions to achieving goals shared with the industry. Undoubtedly this influence was favored by the massive use of social networks and the increasing digital transformation.
- *Civil society engagement as a continuous process:* the task of building trust is a priority. In addition, those who facilitate and participate in these spaces for creating best engagement practices must be stakeholders with knowledge and experience in this area, capable of promoting exchanges; impartial stakeholders capable of building a permanent and useful engagement while recognizing the differences of each party.
- *Perceptions of extractive industries:* the extractive sector still generates backlash in some sectors. This is usually based on the perception that the growth of extractive activity has not led to better living conditions for some communities that coexist with extractive projects, and that in some cases have seen previously existing economic activities decline (agriculture, local tourism, livestock, among others), thus causing dependence on a finite activity, in addition to the concerns surrounding the environmental and health impacts that this activity could bring.

- *From conflict to negotiated agreement:* a review of some practices studied shows that the relationship between the extractive industry and the communities has changed from a process of conflict and opposition to a transactional negotiation process that compensates communities with social benefits, employment and infrastructure works. This dynamic eventually contributes to local development processes. In many of the experiences studied, during the dialogue processes environmental impacts become a secondary issue and are not sufficiently taken into account, and the issue of social compensation—or rather negotiation—plays an important role.
- *Internal fabric of communities:* often, the complexity of relationships within communities has caused tensions that translate into complaints that are difficult to understand. Companies lack methodologies for dealing with conflicts in a broader, more comprehensive manner, and this has often led to distrust, causing breakdowns in the relationship and even resulting in conflicts within communities.
- *Role of the State:* the historical response by the State has been to maintain a distant position and observe from the outside the engagement processes that occur at different levels between companies and communities. However, in recent years it has become a key player at the consultation level.

## On engagement practices

- In the diagnoses of the six countries, this study found 27 best practices at all engagement levels: 5 at the Information level, 18 at the Dialogue level, 4 at the Consultation level, 13 at the Collaboration level and 15 at the Partnership level. It should also be said that most best practices represent two or more levels simultaneously.





- Major progress: The best practices in this study demonstrate that there has been significant progress towards improving the relationships between the industry and the communities, such as the implementation of corporate engagement policies, teams of specialized professionals and financial resources. However, there are still weaknesses in the engagement between civil society and extractive industries. Well-documented experiences have contributed to the creation of new and innovative engagement practices that can be learned, improved and replicated in other projects.
- It is often thought that the extractive sector has a great deal of experience with best practices that are recognized and validated, with positive results for quality of life and stakeholder engagement, and that this work should be oriented to communities, academia and the companies themselves. The companies can count on the Academy and independent consultants to continue the task of systematization, research and dissemination of engagement experiences.
- One conflict observed in most of the best practices studied is community opposition to the project, due to the way the project coexists with its surroundings (environmental, social, cultural) and/or due to the lack of direct benefits and development for the community. Dialogue is most obvious channel for resolving these situations, as an alternative for reaching agreements and negotiating with the community. Dialogue spaces are necessary in order to solve the problems of small rural sectors near large extractive exploitation. For example, a partnership to improve livestock production.
- Spaces for Early Citizen Participation: Decisions made regarding large-scale national projects often do not enjoy effective participation or consensus from local governments and communities within the territories. Without this step, which gives the project a degree of social legitimacy, citizen participation processes (including prior consultation) can become complex, slow and/or confrontational.
- Partnerships between CSOs have started to play a community outreach role, as in the case of the Coahuila Energy Cluster, one of whose roles was to provide information on the implications of the energy reform and the new role of companies in the region. Civil society mediation can help in making the information more reliable and therefore better accepted by the communities.

## 3.2. Recommendations

### For companies

- Have early, timely and long-term plans for engagement with communities that may contribute to economic progress while addressing social and environmental issues in the territories where their projects will be developed.
- Have an area dedicated exclusively to social management and community relations. This study has confirmed that having a capable area and work team has helped companies develop best practices.
- Consider the particular characteristics of the territory and understand that recognizing the rights of different communities is best practice. Including among their due diligence protocols a detailed survey on the dynamics of the territory and the communities present in the impact area is highly recommended, either executed jointly with the community or subsequently validated by it.
- Regular coordination with community leaders from the beginning, involving them in the different engagement levels: Information, Dialogue, Consultation, Collaboration and Partnership.
- Generate actions at each level (Information, Dialogue, Consultation, Collaboration and Partnership) that:
  - » Are systematically reviewed, including deadlines for their review
  - » Are flexible enough to be reformulated
  - » Have clearly established goals, targets and timelines from the beginning
  - » Comply with the law
  - » Aim for an engagement with permanent and systematic accompaniment
- Monitor the actions derived from the environmental and social legislation related to extractive industries, with compliance and continuity of the agreements of the dialogue roundtables with multi-sector and inter-governmental coordination.



- Strengthen business associations and organizations representing companies that can participate in the most diverse spaces for dialogue and compromise to achieve a more fluid engagement.
- Promote training to foster partnerships with projects in the territories and encourage community participation.
- Consider the leading Multilateral Development Banks (MDBs) in Latin America and the Caribbean—with their experience in citizen engagement<sup>271</sup>, their interdisciplinary approach in the region and their comparative experience in civil society issues—as technical allies in the development of engagement plans, as well as national CSOs with territorial experience, in order to strengthen the principles of engagement between companies and communities through their technical knowledge and close ties to the community.
- To the extent that extractive activities are going to cause environmental damage, companies should prioritize environmental compliance within the framework of national legislations, as well as social engagement with timely, accurate and transparent information, promoting dialogue with communities in order to analyze problems and make decisions.

## For civil society

- Form an organic structure that provides representative community leaders with legitimacy to share information in a timely manner, interacting with the government, companies and other communities, as the case may be, to create joint initiatives in the context of a systematic and not just circumstantial engagement.
- Clearly identify community leaders and counterparts at the national and local levels in areas impacted by extractive activities, so that an early, constructive coordination may be used to find solutions. Due to the disparity of cultures, rhythms and traditions, it is necessary for the State and companies to adapt engagement spaces to this reality. In addition, to achieve effective results the communities themselves should identify resources that may help implement closer approaches in a timely manner, reviewing international experiences as points of reference that may strengthen their capacities while safeguarding their autonomy.
- Ensure that community leaders include community members in the decisions submitted for consultation, as well as in other spaces of influence, through thematic roundtables that take into account gender disparity, and in order to facilitate capacity-building, as well as the appropriation of knowledge by the community. The work of community leaders to ensure the meaningful participation of the community, as demonstrated by the practices analyzed, has been key to transforming the perception of communities regarding the extractive industry, improving existing relationships and preventing the emergence of conflicts.
- Community leaders should encourage and promote the dissemination of timely information, as well as dialogues with community members and company representatives whose work is relevant to them, for the development of engagement plans and strategies throughout the different phases of extractive activity.



- Community leaders and companies can support accompaniment, education and training processes aimed at strengthening the capacities different community groups (women, young people, minorities) in processes that adopt a comprehensive view of the territory, so that sustainable development may be achieved independently of the company's presence.
- Contact impartial actors (such as universities) in order to solve problems and make decisions regarding internal conflicts within the community or between the community and other stakeholders (governments, companies).

## For the State

- Implement regular monitoring activities in order to obtain feedback on the perceptions of both civil society and companies. Experience shows that monitoring is important for involving other stakeholders and sectors, communicating about the practice, providing greater transparency and making necessary adjustments according to local specificities.
- Have methodologies for public consultations that include local authorities, minorities (women's groups, the elderly, young people). It is suggested to build systematic and regular processes at the Information and Dialogue levels, facilitating collaboration with anonymous complaint mechanisms that are accessible for the community.
- Promote early citizen participation, which is crucial for creating engagement spaces that promote opportunities for growth and mitigate potentially negative impacts of extraction operations, to prevent conflicts, to build trust and social legitimacy, as well as to optimize potential value in the regions.
- Regulate the application of ILO Convention 169 with minimum standards for public consultations. Support the work of the agencies in charge of overseeing, inspecting and monitoring environmental studies, maintaining and refining the mechanisms of participation and Prior Consultation (ILO Convention 169). It is essential to strengthen institutions such as the Ombudsman's Office and other institutions that defend society and citizens' rights.
- Strengthen the environmental instruments that allow environmental authorities to monitor compliance with mitigation plans and commitments regarding the closure of extractive projects must be strengthened. Early planning of economic and environmental closures is crucial for limiting environmental and social damage and ultimately improving the perceptions of communities and the general population in the impact area regarding the projects.
- Strengthen transparent mechanisms for managing the funds generated by extractive activity income, supporting new projects which in turn generate new ventures in regions rich in natural resources, in order to ensure alternative sources of job creation that may strengthen local economies by innovating and generating long-term income.
- Train local governments on issues that affect the interests of their territories, supporting the formation of political and technical capacities to support and coordinate territorial planning processes.

## For all three stakeholders

- Use new technologies that favor more effective forms of engagement. The maturity of democratic systems in the region, along with the use of social networks and new technologies, is providing an unprecedented opportunity for government officials, company executives and community leaders to use new instruments for rapprochement and information to discuss common territorial interests.
- Governments, companies and communities find it relevant to foster and participate in engagement spaces that promote: timely and reliable informative actions; dialogues that include minorities; public consultations in accordance with sectoral regulations and prior spaces for information and dialogue; collaborations for capacity-building that foster sustainable territorial development; partnerships in participatory monitoring and/or small businesses development activities.
- Developing engagement plans initiated by any of the main stakeholders with clear activities builds trust, and therefore a more active role by the government and large corporations in the promotion of spaces for agreements, where communities participate after previously having received the information and training necessary to present their interests and concerns, represents, as the findings show, a tool for advancing sustainable growth.
- Generating dialogue builds trust, so a more active role by the government and large corporations in the promotion of spaces for agreement, where the rights and duties of citizens, companies and the government are presented, discussed and agreed upon, would be a step forward. These spaces should allow the different voices of civil society to be heard, including critical ones.
- Universities that enjoy legitimacy are important local resources, because they are trusted by a significant number of stakeholders and have the ability to build networks with key stakeholders with different characteristics, both in terms of producing knowledge and building capacities. It is important to use them and call on them more often.
- To the extent that extractive activities are going to cause environmental damage, companies should prioritize environmental compliance within the framework of national legislations, as well as social engagement with timely, accurate information, transparency and dialogue with communities, their leadership and authorities, as a way to make its business and investment feasible and decrease socio-environmental risks.
- Include other existing resources, local CSOs, and especially universities with legitimacy in order to strengthen a sustainable engagement.
- Inform and review the projections on the resources of the extractive industries and the limits for invigorating the economy, recognizing that this activity depends on a series of external variables that do not depend on specific plans. Specifically, subnational spaces must plan their activities by considering resources from other sources and from the extractive sector, in order to avoid causing frustration due to potential variations in the transfers from the national government. In this sense, it is important to complement the data and analyses from extractive industry projections with civil society authorities and leaders, building on the transparency actions currently underway in extractive industries.

## Endnotes

1. Most of the extractive projects located in rural areas and the surrounding communities are the main affected stakeholders, with whom the companies seek to engage with initially. Other important stakeholders are small municipalities with a large rural population. Projects near medium-sized or large cities, such as the case of Arequipa, Peru, or Chile, are less frequent, see for example: *Valor Minero, 2017: Los desafíos para el desarrollo futuro de la minería en la zona central, Las Condes*; *Valor Minero*, [http://valorminero.cl/site/docs/2017/desafios\\_desarrollo\\_futuro\\_mineria\\_zona\\_central.pdf](http://valorminero.cl/site/docs/2017/desafios_desarrollo_futuro_mineria_zona_central.pdf).
2. Cameron, Peter, & Michael Stanley, 2017: Oil, gas and mining – A sourcebook for understanding the extractive industry, Washington: The World Bank, p. 19.
3. The criteria, as well as details on the methodology used, can be found in Appendix 1.
4. See conceptual methodological framework (Appendix 2). For more information, see IDB, 2018: IDB Group-Civil Society, <https://www.iadb.org/en/civil-society/home>.
5. See Milano, Flavia & Andrea Sanhueza, 2016: Public Consultations with Civil Society: Guidelines for Public and Private Agencies, Washington: IDB, <https://publications.iadb.org/handle/11319/7499?locale-attribute=en>.
6. For the purposes of this investigation, non-renewable resources are oil, gas and metal minerals at any stage of the extraction cycle (prefeasibility, feasibility, exploration, exploitation).
7. The ICMM website is <http://www.icmm.com/en-gb>.
8. The members of the ICMM have committed to complying with 10 principles for contributing to sustainable development, see: ICMM, 2015: Sustainable Development Framework: ICMM Principles, London: ICMM, [http://www.icmm.com/website/publications/pdfs/commitments/revised-2015\\_icmm-principles.pdf](http://www.icmm.com/website/publications/pdfs/commitments/revised-2015_icmm-principles.pdf).
9. The IOGP website is <http://www.iogp.org>.
10. To this end, IOGP has formed different committees, such as the environment committee, which aims to respond to the demands of different stakeholders, see: IOGP, 2018: Our committees, <https://www.iogp.org/our-committees/>.
11. Wilson, Emma, Sarah Best, Emma Blackmore & Saula Espanova, 2016: Meaningful Community Engagement in the Extractive Industries, London: International Institute for Environment and Development, <http://pubs.iied.org/pdfs/16047IIED.pdf>.
12. On one hand, the Voluntary Principles of Security and Human Rights were launched by the governments of the United States and the United Kingdom, together with companies and some non-governmental organizations, in 2000, see: The Voluntary Principles on Security and Human Rights, December 19, 2000, [http://www.voluntaryprinciples.org/wp-content/uploads/2013/03/voluntary\\_principles\\_english.pdf](http://www.voluntaryprinciples.org/wp-content/uploads/2013/03/voluntary_principles_english.pdf). They are the only Human Rights standards designed exclusively for the extractive sector. Currently, 30 companies have adhered to the principles, see: Voluntary Principles, 2018: For companies, <http://www.voluntaryprinciples.org/for-companies/>. Meanwhile, in 2011 the United Nations published the guiding principles on business and human rights, which apply to States and all transnational companies and others, see: Office of the High Commissioner, United Nations, 2011: Guiding Principles on Business and Human Rights – Implementing the United Nations “Protect, Respect and Remedy” Framework, New York and Geneva, UN, [http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR\\_EN.pdf](http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf).
13. Salmón, Elizabeth (coord.), 2016: *La Progresiva Incorporación de las Empresas en la Lógica de los Derechos Humanos*. Lima: Instituto Democracia y Derechos Humanos de la Pontificia Universidad Católica del Perú (IDHPUCP), pp. 17-18.
14. Various studies confirm the challenges of a greater link between the local economy and the extractive sector in the Latin America countries. See for example: Rudas, Guillermo, 2014: *Notas sobre la minería de carbón a gran escala en Colombia*, in: FES (Friedrich Ebert Stiftung): *La minería de carbón a gran escala en Colombia: impactos económicos, sociales, laborales, ambientales y territoriales*, Análisis 1/2014, pp. 5-22. Albrieu, Ramiro, 2012: *La macroeconomía de los recursos naturales en América Latina*, in: Albrieu, Ramiro; Andrés López, y Guillermo Rozenwurcel (coord.) *Los Recursos Naturales como Palanca del Desarrollo en América Del Sur: ¿Ficción o Realidad?* Montevideo: Red Mercosur de Investigaciones Económicas, pp. 105-147.
15. Ed O. Keefe, director of Synergy Global, in an interview with Sarah Busque, on December 10, 2013, in: Borealis, 2013: *Claves para mejorar las prácticas en las relaciones comunitarias*, <https://www.boreal-is.com/es/blog/mejorar-relaciones-comunitarias/>.
16. Wilson 2016, Op. cit.
17. Ibid.
18. ICMM, 2012: Mining’s contribution to sustainable development, InBrief, June 2012). See also: López-Morales, José Satsumi, y otros, 2017: *Estrategias de responsabilidad social en América Latina: un análisis de contenido en la industria extractiva*, in: Ad-Minister (Universidad Eafit), No. 31 julio a diciembre 2017, pp. 115-135.
19. Oxfam Internacional & Social Capital Group (SCP), 2007: Corporate Social Responsibility in the Mining Sector in Peru. <https://www.oxfamamerica.org/publications/corporate-social-responsibility-in-the-mining-sector-in-peru/>
20. It is important to differentiate executive branch of the national government from other public stakeholders such as the judiciary or the legislative branch. The analysis below refers to the executive branch, except when indicated otherwise.
21. See Penfold, Michael y José Luis Curbelo, 2013: *Hacia una nueva agenda en inversión extranjera directa. Tendencias y realidades en América Latina, Serie Políticas Públicas y Transformación Productiva*, N° 10/2013. Corporación Andina de Fomento (CAF).
22. Medina, Leandro, 2010: *Efectos dinámicos de los precios de las materias primas en las posiciones fiscales de América Latina*, CAF Working Papers No. 2010/02.
23. Marczak, Jason & Peter Engelke, 2016: Latin America and the Caribbean 2030: Future Scenarios, Washington: IDB, p. 21. <https://publications.iadb.org/handle/11319/7978>
24. Data from the diagnoses of this study. These figures do not include indirect employment.
25. Monge, Carlos, 2017: *Minería y marco institucionales en la región andina*, Lima: NRGi/GIZ, pp. 3-14.
26. Marczak 2016, Op. cit., p. 21.
27. The only country in this study that has not ratified Convention 169 is the Dominican Republic.



28. In Argentina, there is no legal standard that regulates the agreement. In Mexico, the constitutional reform of 2011 incorporated ILO Convention 169 into the Constitution, which is regulated by a protocol of the National Commission for the Development of Indigenous Peoples (CDI), published by decree, see: Castillo Lara, Clara, 2017: *La constitución mexicana y el Convenio 169 de la OIT sobre pueblos indígenas y tribales*, in: Alegatos, No. 97, p. 575.
29. Data extracted from each country's diagnoses that form the main part of this publication.
30. In Chile, there is a Ministry of Mines and a Ministry of Energy.
31. Corporación Nacional de Desarrollo Indígena (CONADI), 2018: <http://www.conadi.gob.cl/>.
32. Data extracted from each country's diagnoses that form the main part of this publication.
33. Salinas Alvarado, Carlos Eduardo, 2011: *La consulta previa como requisito obligatorio dentro de trámites administrativos cuyo contenido pueda afectar en forma directa a comunidades indígenas y tribales en Colombia*, accessed at: <https://revistas.ueh.net.co/index.php/derest/article/view/3019/3055>.
34. Wilson, Emma, 2016, Op. cit.
35. Ibid.
36. Data extracted from each country's diagnoses that form the main part of this publication.
37. In fact, "in many Latin American countries, popular consultations on mining have become a conflict between national governments, on the one hand, and local governments and social stakeholders," see: Dietz, Kristina, 2017: *Consultas populares mineras en Colombia: Condiciones de su realización y significados políticos. El caso de La Colosa*, en: *Colombia Internacional* (93), 93-117, p. 96.
38. ECLAC (Economic Commission for Latin America and the Caribbean), 2014: *Pactos Igualdad - Hacia un futuro sostenible*, pp. 294-298.
39. Sanborn, A. Cynthia, y Juan Luis Dammert, 2013: *Extracción de recursos naturales, desarrollo económico e inclusión social: Perú*, Americas Quarterly, p. 26. Perry, Guillermo y Mauricio Olivera, 2009: *El impacto del petróleo y la minería en el desarrollo regional y local en Colombia*, CAF, documentos de trabajo 2009/06.
40. Higher incomes for local governments do not necessarily translate into an improvement in the quality of life. See for example: Paredes Gonzales, Maritza Victoria, 2016: *Los efectos del boom de las industrias extractivas en los indicadores sociales - países andinos*, Natural Resource Governance Institute. Ministerio de Minería, Comisión Chilena de Cobre, 2013: *Minería en Chile: impacto en regiones y desafíos para su desarrollo*, Chile.
41. Data extracted from each country's diagnoses that form the main part of this publication.
42. IIED, and others (International Institute for Environment and Development, Mining, Minerals, and Sustainable Development Project, World Business Council for Sustainable Development), 2002: *Breaking New Ground: Mining, Minerals and Sustainable Development*, IIED, pp. 165-166.
43. Regarding different training needs, see for example: CEPAL/UNCTAD, 2003: *Guía para la gestión de las autoridades locales de pueblos y distritos mineros de América Latina y el Caribe, Santiago de Chile*, accessed at: <https://www.cepal.org/publicaciones/xml/6/13966/lcr2114e.pdf>.
44. Data extracted from each country's diagnoses that form the main part of this publication.
45. IIED, and others, 2002, Op. cit., p. 204.
46. Astorga, Eduardo, Francisco Carrillo, Mauricio Folchi, Magdalena García, Bernardo Grez, Bernardita McPhee, Claudia Sepúlveda, y Hans Stein, 2017: *Resumen ejecutivo informe final proyecto: evaluación de los conflictos socioambientales de proyectos de gran tamaño con foco en agua y energía para el período 1998 - 2015*, Santiago de Chile: Consejo Nacional de Innovación para el Desarrollo (CNID), pp. 12-13.
47. Watkins, Graham, Sven-Uwe Mueller, Hendrik Meller, María Cecilia Ramirez, Tomás Serebrisky, Andreas Georgoulas, 2017: *Lecciones de cuatro décadas de conflicto en torno a los proyectos de infraestructura en América Latina y el Caribe*, Washington: BID, p.20-1.
48. Davis, Rachel & Daniel Franks, 2014: *Costs of Company-Community Conflict in the Extractive Sector*, Harvard: Harvard Kennedy School.
49. Ibid., p. 21.
50. Wilson, Alana & Miguel Cervantes, 2013: *Survey of Mining Companies 2013*: Vancouver: Fraser Institute.
51. Watkins et al 2017, Op. cit., p. 5.
52. Saade, Hazin, 2013: *Desarrollo minero y conflictos socioambientales. Los casos de Colombia, México y el Perú, Santiago de Chile*, CEPAL.
53. Franks et al. 2014, Op. cit., pp. 75-76.
54. Ibid.
55. ECLAC: Argentina: National Economic Profile, [http://estadisticas.cepal.org/cepalstat/Perfil\\_Nacional\\_Economico.html?pais=ARG&idioma=english](http://estadisticas.cepal.org/cepalstat/Perfil_Nacional_Economico.html?pais=ARG&idioma=english).
56. Prepared using the INDEC database: [https://www.indec.gob.ar/nivel4\\_default.asp?id\\_tema\\_1=3&id\\_tema\\_2=2&id\\_tema\\_3=39](https://www.indec.gob.ar/nivel4_default.asp?id_tema_1=3&id_tema_2=2&id_tema_3=39), según categoría: Minas y Canteras.
57. Law No. 23,548 - Federal Tax Co-Participation. Período 2017 (1): <http://www2.mecon.gov.ar/hacienda/dncfp/provincial/recursos/esquemas/ley23548.pdf>.
58. It is worth noting that the hydrocarbon sector has a greater preponderance in the number of registered jobs, with 66.6% of the jobs registered in 2016, compared to 33.4% of employees in the metal mining industry for the same year. Prepared using the database of the Argentine Integrated Pension System (SIPA): [http://www.trabajo.gob.ar/left/estadisticas/novedades/novedad\\_empleo.asp](http://www.trabajo.gob.ar/left/estadisticas/novedades/novedad_empleo.asp).
59. Jueguen, Francisco, 2017: *El desempleo terminó 2016 en 7,6%, según el Indec*, in: La Nación, 16 de marzo de 2017, <https://www.lanacion.com.ar/1994231-el-desempleo-termino-2016-en-torno-al-76-segun-el-indec>. According to this article, the EAP was 18 million people in 2016.
60. *Asamblea de Vecinos Autoconvocados de Esquel por el No a la Mina 2002-2017*, [www.noalamina.org](http://www.noalamina.org).
61. Fundación Cambio Democrático, 2017: *Plataforma Argentina de Diálogo para el Uso Sustentable de los Recursos Naturales*, Capital Federal, <http://cambiodemocratico.org/2017/02/07/plataforma-argentina-dialogo-para-uso-sustentable-recursos-naturales/>.

62. The Environmental Justice Atlas is led by Leah Temper and Joan Martinez Alier and coordinated by Daniela Del Bene, from the Institute of Environmental Science and Technology (ICTA) of the Universidad Autónoma de Barcelona. Its purpose is to gather stories of communities fighting for environmental justice around the world. The data is sent from different countries by academics, concerned citizens, informal committees and non-governmental organizations. An editing team verifies the data. It is important to mention that the type and number of conflicts registered depends on the perspective of those sending the data, so it is not an objective data. In this document, the Atlas' data are used when there are no figures that are more reliable in the country, as in the case of Argentina. For more detail on the Atlas methodology, see: Leah Temper, Daniela del Bene and Joan Martinez-Alier. 2015. Mapping the frontiers and front lines of global environmental justice: the EJAtlas. *Journal of Political Ecology* 22: 255-278. The access link to the Environmental Justice Atlas is: <https://ejatlas.org/>.
63. CIPPEC, Fundación Vida Silvestre, y Consejo Empresarial Mendocino, 2015: *Minería responsable para el crecimiento con equidad. El caso de Mendoza*, <https://www.cippec.org/wp-content/uploads/2017/03/1052.pdf>.
64. Chubut (Law 5,001 of 2003), Tucumán (Law 7,879 of 2007), Mendoza (Law 7,722 of 2007), La Pampa (Law 2,349 of 2007), Córdoba (Law 9,526 of 2008), San Luis (Law 634 of 2008), Tierra del Fuego (Law 853 of 2012).
65. Famatina Conflict: since 2004, camps, marches and roadblocks have been held in Famatina, La Rioja Province, to prevent government officials and company representatives from entering the mine. Thus, the population has managed to prevent the projects of companies such as Barrick Gold, Osisko Mining Corporation and Shandong Gold, as well as Midais from Salta, under the slogan "Don't Touch Famatina."
 

Esquel Conflict: in July 2002, the Meridian Gold company officially authorized the purchase of a project located ten kilometers from this city. Different groups of neighbors began to organize. In October 2002 they held an assembly in the Normal School, and in November the Council of Self-Convended Neighbors Saying "No to the Mine" was born. After several marches, the Deliberative Council approved a popular consultation. On March 23, 2003, 81% of Esquel voters rejected the gold and silver mine. Although the consultation was not binding, the results caused the execution of the project to be suspended.
66. Velarde Ponce de León, Claudia, 2018: *Defendiendo a comunidades del avance del fracking en Argentina*, <https://aida-americas.org/es/blog/defendiendo-comunidades-del-avance-del-fracking-en-argentina>.
67. Several other practices identified have not been validated in the framework of this study. These experiences can be found in Appendix 3.
68. The field research concluded in 2017, and therefore the duration of the best practice can only be assured for this year, which does not exclude the possibility that it may still be valid in the future. This observation applies to all best practices.
69. This space is accessible to the community, which has posed some problems within it, for which solutions have been sought (lack of firewood – donations, lack of mining training – mobile classroom, lack of communication – free WiFi for the entire community).
70. Innovation refers to practices that were novel at the time of their validation in the respective country.
71. Each best practice was evaluated according to the dimensions of participation, relevance and sustainability, based on previously designed indicators. For more information, refer to the conceptual and methodological framework, 4.3. (Appendix 2).
72. All best practices included in the diagnosis were analyzed considering the following approaches: participatory approach, regulation of rights and obligations approach; sustainable development approach; diversity approach; gender equality approach; conflict transformation approach. The definitions can be found in the conceptual framework (Appendix 2). If the approaches are not mentioned in the best practice analysis, it means that no elements have been found to indicate their inclusion in the best practice implementation.
73. Boon, Johannes, 2017: "Corporate Social Responsibility, Relationships and the Course of Events in Mineral Exploration – an Exploratory Study," Carleton University, Johannes Boon, Ontario, p. 194.
74. Ibid.
75. Information provided by PAE.
76. Cámara Argentina de Empresarios Mineros: HMS, <http://www.caem.com.ar/hms/>.
77. Just to give an example, the La Rioja Province can be mentioned with its conflict in Famatina and the position of the provincial governor. DyN, 2011, Beder Herrera asked environmentalists to "stop fucking" with mining, *Clarín Noticias*, 05/31/2011, [https://www.clarin.com/medio\\_ambiente/Beder-Herrera-ambientalistas-joder-mineria\\_0\\_Skl-TiWawXx.html](https://www.clarin.com/medio_ambiente/Beder-Herrera-ambientalistas-joder-mineria_0_Skl-TiWawXx.html).
78. One important organization is the *Fundación Ambiente y Recursos Naturales* (Environment and Natural Resources Foundation, or FARN). FARN has conducted various studies, including one on Lithium mining. Regarding extractive activities, they argue: "The social and environmental effects of this type of activity are devastating: ecological destruction, loss of natural forests, soil deterioration, contamination by agrochemicals, displacement of local communities, no generation of quality employment and even violation of rights, among others. FARN affirms that there are no extractive policies that are friendly to society, nor to the environment." (<https://farn.org.ar/extractivities>).
79. One example is the Council of Self-Convended Neighbors for the "No to the Mine," a neighborhood movement that was formed in the town of Esquel, Chubut Province, and expanded to other locations. According to its website, they are already present in 15 locations throughout the country. It does not have a formal structure with positions and roles. Their actions and their presence as a group opposed to mining are very strong in Argentina. For more information, see: *Asamblea de Vecinos Autoconvocados de Esquel por el No a la Mina 2002-2017*, Op. cit.
80. Universidad Nacional de San Martín, <http://www.unsam.edu.ar>
81. As an example, Universidad de San Martín and Universidad Tres de Febrero trained teachers from the communities belonging to the Bajo La Alumbrera mine impact area for several years.
82. Ministerio de Desarrollo Social Presidencia de la Nación, 2015: *Instituto Nacional de Asuntos Indígenas (INAI), Tierras y registro nacional de comunidades indígenas*, <https://www.desarrollosocial.gob.ar/wp-content/uploads/2015/08/6.-INAI-Tierras-y-registro-nacional-de-comunidades-ind-igenas.pdf>.
83. For example, regarding the participation spaces in the Environmental Impact Assessment framework. Some examples are: *Ley N° 123 de Evaluación del Impacto Ambiental de Buenos Aires*, last modification published on 05/18/2012. *Ley de Evaluación de Impacto Ambiental, provincia de Santa Cruz*, published on 08/21/2003. *Ley 10.208. Política Ambiental Provincial* (Córdoba), published on 06/27/2014.
84. Ministerio de Ambiente y Desarrollo Sustentable, 2016: *Informe del estado de ambiente 2016*, Buenos Aires. [https://www.argentina.gob.ar/sites/default/files/mayds\\_informe\\_estado\\_ambiente\\_2016\\_baja\\_1\\_0.pdf](https://www.argentina.gob.ar/sites/default/files/mayds_informe_estado_ambiente_2016_baja_1_0.pdf).

85. Covo, María Julia, 2013: *Derecho de minería y energía – El principio de congruencia de la ley general del ambiente en el Derecho Minero*, in: Anales de la Facultad de Ciencias Jurídicas y Sociales; año 10, no. 43, pp. 151-160; p. 153.
86. Oil and gas production is marginal in Chile and the author did not find macroeconomic figures that included oil. Oil production is concentrated in ENAP, a national company whose purpose is the exploration, production and commercialization of hydrocarbons and their derivatives. There are 10 companies that produce Natural Gas, and they are have their own business association. ENAP's sustainability report indicates that oil production in Chile, (Magallanes Region) was 987 million barrels for 2016; meanwhile, natural gas production in Chile (Magallanes) was 1 billion standard cubic meters (5,909,500 equivalent barrels). ENAP exports were 0.42 million cubic meters of oil products, equivalent to 3.8% of the total production of its refineries.
87. Consejo Minero, 2018: *Cifras actualizadas de la minería*, <http://dev.consejominero.cl/wp-content/uploads/2018/03/Cifras-actualizadas-de-la-miner%C3%ADa-Marzo-2018.pdf>.
88. Comisión Nacional de Productividad 2016: *Productividad de la Gran Minería el Cobre*, <http://www.comisiondeproductividad.cl/productividad-de-la-gran-mineria-del-cobre/>.
89. Consejo Minero, 2018, Op. cit.
90. Comisión Nacional de Productividad 2016, Op. cit.
91. Accessed at: Sociedad Nacional de Minería, *El nivel de empleo en la minería es el más bajo de los últimos siete años*, <http://www.sonami.cl/site/noticias/el-nivel-de-empleo-en-la-mineria-es-el-mas-bajo-de-los-ultimos-siete-anos/>.
92. Comisión Chilena del Cobre, 2017: *Anuario de Estadísticas del Cobre y otros Metales 1997-2016*, Santiago de Chile, <https://www.cochilco.cl/Lists/Anuario/Attachments/17/Anuario-%20avance7-10-7-17.pdf>.
93. Comisión Nacional de Productividad 2016, Op. cit.
94. Instituto Nacional de Derechos Humanos, 2015: *Mapa de Conflictos Socioambientales en Chile*, Santiago de Chile, <http://bibliotecadigital.indh.cl/bitstream/handle/123456789/989/libro.pdf?sequence=5>.
95. Comisión Minería y Desarrollo de Chile Consejo Nacional de Innovación y Competitividad, 2014: *Minería. Una Plataforma de futuro para Chile*, [http://valorminero.cl/site/docs/2017/mineria-una\\_plataforma\\_futuro\\_para\\_chile.pdf](http://valorminero.cl/site/docs/2017/mineria-una_plataforma_futuro_para_chile.pdf).
96. Findings of the Extractive Industries Working Table, held on August 18, 2017 in Santiago of Chile for this study.
97. Alianza Valor Minero, *Seminario Valor Minero Inversión y Diálogo para el Desarrollo*, [http://valorminero.cl/site/docs/2017/informe\\_seminario\\_inversion\\_dialogo\\_desarrollo.pdf](http://valorminero.cl/site/docs/2017/informe_seminario_inversion_dialogo_desarrollo.pdf).
98. *Informe Sistematización Caracterización Socio-Ambiental Proyecto Acuerdo Territorial Para El Desarrollo-Localidad De Sierra Gorda*. Agencia de Cambio Climático – Alianza Valor Minero, septiembre 2017.
99. Ibid.
100. There is no information on the amounts of companies' social investment in Sierra Gorda.
101. Alianza Valor Minero is a public-private institution that brings together multiple stakeholders with the aim of creating the conditions for transforming Chilean mining into a platform for virtuous, inclusive and sustainable development, Valor Minero, <http://www.valorminero.cl/valor-minero/>.
102. *Chile Transparente*, Transparencia Caimanes, Santiago de Chile, <http://www.chiletransparente.cl/project/transparencia-caimanes/>.
103. Nueva Unión, 2017: *Corproa elige a Nueva Unión como "Empresa Destacada del Año,"* <http://www.nuevaunion.cl/noticias/2017/corproa-elige-a-nuevaunion-como-empresa-destacada-del-ano>.
104. Ibid.
105. *Política de Pueblos Indígenas Nueva Unión*. Accessed at: Nueva Unión, Sustentabilidad, <http://www.nuevaunion.cl/sustentabilidad>.
106. *Desarrollo Futuro de la minería en la zona Central. Diagnóstico y recomendaciones para la sostenibilidad*. Alianza Valor Minero. Noviembre 2017.
107. Other initiatives between different sectors are: National Council on Innovation for Development, Advisory Council for the National Territorial Planning Policy, Sustainable Exploration Group, Working Group for Agenda 2030, Working Group on Women, Mining and Best Practices of the Ministry of Mining.
108. Alianza Valor Minero, Op. cit.
109. Alianza Valor Minero, Op. cit.
110. Ministerio de Minería, Misión Institucional, <http://www.minmineria.gob.cl/mision-institucional/>.
111. Mapa de las organizaciones de la sociedad civil 2015. Centro de Políticas Públicas Universidad Católica (2016).
112. Villalobos, Fernanda, 2017: *Ambientalistas y rechazo a Dominga: Quiénes gobiernan "están tomando las decisiones correctas,"* Santiago de Chile, <http://www.emol.com/noticias/Economia/2017/03/10/848734/Organizaciones-ambientalistas-por-rechazo-a-Dominga.html>.
113. Corporación Nacional de Desarrollo Indígena, Registro de Comunidades y Asociaciones Indígenas, <http://www.conadi.gob.cl/registro-de-comunidades-y-asociaciones-indigenas>.
114. Portal Minero, 2014: *Corte rechaza recursos contra proyecto minero El Morro*, <http://www.portalminero.com/display/NOT/2014/04/29/Corte+rechaza+recursos+contra+proyecto+minero+El+Morro?showComments=true&showCommentArea=true>.
115. OIT (2014) *Estudio de Caso Chile Convenio N° 169 de la OIT y la consulta a los pueblos indígenas en proyectos de inversión*. Matías Abogabir.
116. Delamaza, Gonzalo, 2011: *Espacio público y participación ciudadana en la gestión pública en Chile: límites y posibilidades*. Revista de la Universidad Bolivariana, volumen 10, N° 30, 2011, pp. 45-75.
117. Ministerio de Desarrollo Social, 2013: Decreto Supremo N° 66.
118. OIT (2014) Matías Abogabir. *Estudio de Caso Chile Convenio N° 169 de la OIT y la consulta a los pueblos indígenas en proyectos de inversión*.
119. DANE, 2016: *Atlas Estadístico de Colombia*, Bogotá, <http://sige.dane.gov.co/atlasestadistico/>.
120. Includes coal, nickel and oil and its derivatives from the country's traditional exports for 2016. Ibid.
121. There is no official information to establish an income distribution at the national or central level.
122. According to the DANE figures, in 2016 the total employed population was 22.8 million. The definition of "employed population" includes people in one of the following situations: 1. Worked at least one hour paid in cash or in-kind during the reference week. 2. Did not work the reference week, but had a job. 3. Unpaid family workers who worked during the reference week for at least one hour.

123. Observatorio de las industrias extractivas en Colombia, 2015: *El sector extractivo en Colombia 2014*, Bogotá: Foro Nacional por Colombia, y otros, [http://media.wix.com/ugd/ef61f6\\_3c07a995db4a4f5b98b15e3a370e1c0.pdf](http://media.wix.com/ugd/ef61f6_3c07a995db4a4f5b98b15e3a370e1c0.pdf).
124. Environmental Justice Atlas, Op. cit.
125. Fundación Futuro Latinoamericano (FFLA), 2017: *Tendencias de la Conflictividad Socioambiental en América Latina y Propuestas para su Abordaje*, Quito, [https://www.ffla.net/publicaciones/doc\\_details/320-tendencias-de-la-conflictividad-socioambiental-en-am%C3%A9rica-latina-y-propuestas-para-su-abordaje.html](https://www.ffla.net/publicaciones/doc_details/320-tendencias-de-la-conflictividad-socioambiental-en-am%C3%A9rica-latina-y-propuestas-para-su-abordaje.html).
126. Fundación Foro Nacional por Colombia, 2017: *La agenda de la Sociedad Civil frente a las industrias extractivas en Colombia*, Bogotá: Foro Nacional por Colombia y Natural Resource Governance Institute, <https://resourcegovernance.org/sites/default/files/documents/reporte-colombia.pdf>.
127. Law 1,753 of 2015: National Development Plan 2014-2018 (“PND”) classifies the types of mining as: subsistence, small, medium and large mining.
128. Fundación Avina y Gestión Ambiental Estratégica, 2012. *Elementos diagnósticos para una caracterización de la minería en Colombia*. Bogotá, Colombia. Mesa de Diálogo permanente de Minería en Colombia.
129. Law 34 of 1994, which imposes rules on citizen participation mechanisms.
130. Morales, Lorenzo, 2017. *La paz y la protección ambiental en Colombia: Propuestas para un desarrollo rural sostenible*, Bogotá: Centro de Estudios en Periodismo (CEPER) de la Universidad de los Andes, [http://static.iris.net.co/sostenibilidad/upload/documents/envt-colombia-esp\\_web-res\\_final-for-email.pdf](http://static.iris.net.co/sostenibilidad/upload/documents/envt-colombia-esp_web-res_final-for-email.pdf).
131. Oficina del Alto Comisionado para la Paz, 2016: *Acuerdo final para la terminación del conflicto y la construcción de una paz estable y duradera*, Bogotá, <http://www.altocomisionadoparalapaz.gov.co/procesos-y-conversaciones/Documentos%20compartidos/24-11-2016NuevoAcuerdoFinal.pdf>.
132. Morales 2017, Op. cit.
133. Jiménez, Carlos Mario, 2017: *En 6.3 % aumentó producción de carbón en el Cesar*, <http://elpilon.com.co/en-6-3-aumento-produccion-de-carbon-en-el-cesar/>.
134. The Regional Autonomous Corporation of Cesar (Corpocesar) is the authority legally responsible for managing—in the area of its jurisdiction—the environment and renewable natural resources, and striving for the country’s sustainable development.
135. Gestión Ambiental Estratégica. *Informe a las Autoridades Ambientales ANLA y Estratégica*, febrero 2014. Bogotá, Colombia. Grupo Prodeco.
136. Quijano, Pedro. *Gestión Ambiental Estratégica. Marco institucional para una gestión minera ambiental y socialmente responsable en Colombia*. Documento de trabajo Mesa de Diálogo Permanente Colombia. 2013, Bogotá Colombia. The link is in the bibliography: *Marco institucional para una gestión minera ambiental y socialmente responsable en Colombia. Documento de trabajo Mesa de Diálogo Permanente Colombia*. 2013. Available at: <https://www.mesadedialogopermanente.org/mesa-de-dialogo-permanente-colombia/productos-de-la-mdp/>
137. Quijano, Pedro. *Gestión Ambiental Estratégica Documentos de Trabajo Mesa de diálogo Permanente de Colombia*, 2013. Bogotá, Colombia. The link is in the bibliography: *Documentos de Trabajo Mesa de diálogo Permanente de Colombia*, 2013. <https://www.mesadedialogopermanente.org/mesa-de-dialogo-permanente-colombia/productos-de-la-mdp/>
138. Ministerio de Minas y Energía: *Relacionamiento Territorial*, <https://www.minminas.gov.co/relacionamiento-territorial>.
139. Resolution 0322 of 2015 adopts the specific manual of functions and powers of the Ministry of the Interior.
140. Law 1444 created the National Environmental Licensing Authority (ANLA) as a technical body with administrative and financial autonomy—without legal status—for the study, approval and issuance of licenses, permits and environmental procedures. ANLA must ensure that the projects, works or activities subject to licensing comply with environmental regulations (Decree 3,573 of 2011).
141. Departamento Nacional de Planeación, 2016: *Evaluación de operaciones de las Corporaciones Autónomas Regionales y de Desarrollo Sostenible, que mida la capacidad con la que cuentan para lograr sus objetivos y proponer acciones de mejora para el fortalecimiento integral de las mismas y el mejoramiento de la gestión ambiental en el país*, Bogotá, [https://colaboracion.dnp.gov.co/CDT/Sinergia/Documentos/CAR\\_Producto\\_4\\_Informe\\_Resultados\\_v20161128.pdf](https://colaboracion.dnp.gov.co/CDT/Sinergia/Documentos/CAR_Producto_4_Informe_Resultados_v20161128.pdf).
142. Ministerio de Ambiente, 2013: *Decreto 2613 de 2013 por el cual se adopta el Protocolo de Coordinación Interinstitucional para la consulta previa*, [http://www.minambiente.gov.co/images/normativa/decretos/2013/dec\\_2613\\_2013.pdf](http://www.minambiente.gov.co/images/normativa/decretos/2013/dec_2613_2013.pdf).
143. Lloreda Francisco, presidente ACP. Septiembre 2017. III Congreso de la Asociación Colombiana de Productores de Petróleo ACP. Bogotá, Colombia.
144. The source of all 2016 figures is: PEMEX, 2016: *Anuario Estadístico 2016*, México, pp. 5-6 and 15-16. <http://www.pemex.com/ri/Publicaciones/Anuario%20Estadistico%20Archivos/anuario-estadistico-2016.pdf>. The source of the 2010 value is: González, Ixel, 2015: *Petróleo aporta menos al crecimiento del PIB en 2014*, México, <http://www.elfinanciero.com.mx/economia/petroleo-aporta-menos-al-del-pib-en-2014.html>.
145. National statistical data does not display by hydrocarbon industry.
146. Centro Mexicano para la Filantropía, 2017: *Número de organizaciones en cada estado por figura legal*, <http://200.57.117.52/Directorio2/Estadisticas/frmoOrganizacionesFiguraLegal.aspx>.
147. In general, the *amparo* is a set of procedural acts or processes that culminate in a judicial resolution or sentence, which constitutes their common final cause, and in a strict sense, it is a right or a power that a person has to demand that any violation of their individual guarantees be repaired in their favor. The Mexican Constitution of 1917 establishes the Federal Judicial Power as a constitutional control body, empowering it to modify acts of authorities or laws that violate individual guarantees, and provides that through the *amparo*, acts or laws of any of the three branches of government can be challenged, thus creating the trial of *amparo* against, also, judicial resolutions. Accessed at: GMORR, 2009: *Juicio de amparo en México*, <https://www.gestiopolis.com/juicio-de-amparo-en-mexico/>.
148. Environmental Justice Atlas, Op. cit.
149. Enciso, Angélica, 2016: *Hay en México 420 conflictos socioambientales*: Investigador, <http://www.jornada.unam.mx/2016/02/10/sociedad/038n1soc>.
150. David Shields, analyst, journalist and energy industry consultant. General Director of the Energy Up For Debate project; and Jorge Arriaga, PhD in Regional Development from the Sorbonne Université in Paris, was a Deputy Manager of the Social Organizations Office at PEMEX and is currently a consultant for the energy industry.



151. "First of all, the ASF (Superior Auditor of the Federation – SC) declares that there are regulatory gaps, since the Guidelines on Donations from PEMEX and Other Agencies do not establish clear lines on the follow-up procedure for the use of resources and goods. This leaves a wide margin for discretion and makes it difficult to control them. Thus, these guidelines do not regulate the deadlines for application and verification of donations, nor the periodicity and deadlines of application reports that must be delivered by the beneficiaries," in: De la Fuente López, Aroa, 2017: *Donativos y Donaciones de PEMEX: Deficiencias e Irregularidades*, México, pp. 2-3, <http://www.fundar.org.mx/mexico/pdf/ASF-Donativosydonaciones.pdf>.
152. Morris, Stephen, 1992: *Corrupción y Política en el México Contemporáneo*, México, pp. 76-79, [https://books.google.com.mx/books?id=H1\\_dodEHuloC&pg=PA72&lpg=PA72&dq=paternalismo+en+mexico+pemex&source=bl&ots=Vrtsu6fuc0&sig=\\_oDNsdtrNbJW16XNi7jQB9VFM&hl=es&sa=X&ved=0ahUKEwjTqMKt5\\_rYAhWQ7VMKHdw1CYYQ6AEIZDAJ#v=onepage&q=paternalismo%20en%20mexico%20pemex&f=false](https://books.google.com.mx/books?id=H1_dodEHuloC&pg=PA72&lpg=PA72&dq=paternalismo+en+mexico+pemex&source=bl&ots=Vrtsu6fuc0&sig=_oDNsdtrNbJW16XNi7jQB9VFM&hl=es&sa=X&ved=0ahUKEwjTqMKt5_rYAhWQ7VMKHdw1CYYQ6AEIZDAJ#v=onepage&q=paternalismo%20en%20mexico%20pemex&f=false).
153. Diario Oficial de la Federación, 2014: *Ley de Hidrocarburos*, México, [http://www.dof.gob.mx/nota\\_detalle.php?codigo=5355989&fecha=11/08/2014](http://www.dof.gob.mx/nota_detalle.php?codigo=5355989&fecha=11/08/2014).
154. Interviews with academic experts in energy.
155. Interviews with social stakeholders in the framework of this diagnosis.
156. Secretaría de Energía, 2016: *4º Informe de Labores de la Secretaría de Energía 2015-2016*, México, p. 69, [http://transparencia.energia.gob.mx/rendicion\\_cuentas/archivos/SENER-4oInformeLabores.pdf](http://transparencia.energia.gob.mx/rendicion_cuentas/archivos/SENER-4oInformeLabores.pdf).
157. As of November 2017, the pipeline had still ceased operations on the Guaymas-El Oro section. Accessed at: Zúñiga, Norma, 2017: *Pide CFE liberar ducto Guaymas-El Oro*, México, <http://www.reforma.com/aplicacioneslibre/articulo/default.aspx?id=1262784&md5=0164b194d21007299490c50495577918&ta=0dfdbac11765226904c16cb9ad1b2efe>.
158. Resolution on the prior, free and informed consultation on the Sonora gas pipeline. Accessed at: Gob.mx, 2015: *Resolutivo de la CPLI a la Tribu Yaqui*, México, [https://www.gob.mx/cms/uploads/attachment/file/194673/Resolutivo\\_de\\_la\\_CPLI\\_a\\_la\\_Tribu\\_Yaqui.pdf](https://www.gob.mx/cms/uploads/attachment/file/194673/Resolutivo_de_la_CPLI_a_la_Tribu_Yaqui.pdf).
159. Comments to the diagnosis from the General Director of Social Impact and Surface Land Use of the Secretariat of Energy.
160. Federal courts ordered the three governing bodies to stop the gas pipeline. Accessed at: Escobar, Amalia, 2017: *Tribunal ordena a secretarías frenar obras de gasoducto*, México, <http://www.eluniversal.com.mx/articulo/estados/2017/07/27/tribunal-ordena-secretarias-frenar-obras-de-gasoducto>.
161. The interviews with the different stakeholders in each project and with civil society organization employees allow us to make this statement, which in no way intends to be generalized.
162. That is, the historical clientelistic ways have had to change to ways based on international agreements for carrying out indigenous consultations, for example, where prior information and consultation are principles that must be respected.
163. PEMEX subsidiary company that finances the project.
164. The Social Management Plan is included in the guidelines established by the Secretariat of Energy (SENER) for the social impact assessment contemplated in the Law on Hydrocarbons. Accessed at: Secretaría de Energía, 2016: *Disposiciones administrativas de carácter general sobre la Evaluación de Impacto Social en el sector energético*, [www.cofemersimr.gob.mx/expediente/14565/mir/34590/archivo/948300](http://www.cofemersimr.gob.mx/expediente/14565/mir/34590/archivo/948300).
165. In the guidelines of the Social Impact Assessment (SIA), one of the requirements is that the company must present its Social Management Plan in the SIA.
166. *Informe de labores de la Secretaría de Energía, Marco Legal y Participación en EITI y otros espacios regionales y bilaterales*. Accessed at: Secretaría de Energía, 2016, Op. cit., p. 5 and p. 160.
167. Cámara de Diputados del H. Congreso de la Unión, 2017: *Constitución Política de los Estados Unidos Mexicanos*, México, [http://www.diputados.gob.mx/LeyesBiblio/pdf/1\\_150917.pdf](http://www.diputados.gob.mx/LeyesBiblio/pdf/1_150917.pdf).
168. Cámara de Diputados del H. Congreso De La Unión, 2016: *Ley de Hidrocarburos*, México, [http://www.diputados.gob.mx/LeyesBiblio/pdf/LHidro\\_151116.pdf](http://www.diputados.gob.mx/LeyesBiblio/pdf/LHidro_151116.pdf).
169. This law is resumed in the report, since natural gas is an increasingly common fuel used to generate electrical power. The attributions are clear for the extraction and transportation of gas and for each regulatory instance.
170. Servicio Geológico Mexicano (SGM), 2018: *Anuario Estadístico de la Minería Mexicana 2018*, México, <https://www.gob.mx/sgm>. Instituto Nacional de Estadística y Geografía (INEGI), 2018: *Censos Económicos, Sistema Automatizado de Información Censal (SAIC)*, México, <http://www.beta.inegi.org.mx/app/saic/>.
171. These figures do not include information on the companies providing the services, nor information on artisanal and small-scale mining.
172. Secretaría de Desarrollo Agrario, Territorial y Urbano (SEDATU), 2017: *Fondo para el Desarrollo Regional Sustentable de Estado y Municipios Mineros*, México, <https://www.gob.mx/sedatu>.
173. Instituto Nacional de Estadística y Geografía (INEGI), 2018, Op. cit.
174. Cámara Minera de México (CAMIMEX), 2018: *Informe Anual 2018*, México.
175. Saade Myriam, 2013: *Desarrollo minero y conflictos socioambientales. Los Casos de Colombia, México y el Perú*, Santiago de Chile, [https://repositorio.cepal.org/bitstream/handle/11362/5369/LCL3706\\_es.pdf;jsessionid=C8F9D8F34833870162349695B7F0FE7F?sequence=1](https://repositorio.cepal.org/bitstream/handle/11362/5369/LCL3706_es.pdf;jsessionid=C8F9D8F34833870162349695B7F0FE7F?sequence=1).
176. Environmental Justice Atlas, Op. cit.
177. Gobierno de México, Gobierno de la República, 2013: *Plan Nacional de Desarrollo 2013-2018*, México.
178. Gobierno de México, Gobierno de la República, 2014: *Plan Nacional de Desarrollo 2013-2018*, México.
179. Cámara Minera de México (CAMIMEX), 2017: *Informe Anual 2017*, México.
180. CCC is part of a network of organizations called Partners.
181. Cámara Minera de México (CAMIMEX), 2018, Op. cit.
182. Servicio Geológico Mexicano (SGM), 2018, Op. cit.
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185. Servicio Geológico Mexicano (SGM), 2016: *Anuario Estadístico de la Minería Mexicana 2016*, México, <https://www.gob.mx/sgm>.

182. Servicio Geológico Mexicano (SGM), 2018, Op. cit.
183. Secretaría de Comercio y Fomento Industrial (SECOFI), 1990: *Anuario Estadístico de la Minería Mexicana*, México, <http://www.contactopyme.gob.mx/mercados/info/secofi.html>. Instituto Nacional de Estadística y Geografía (INEGI), 2018, Op. cit.
184. Servicio Geológico Mexicano (SGM), 2016, Op. cit.
185. The environmental liabilities were the results of operation by other companies, including ASARCO, which subsequently sold their concessions to Grupo México. During these companies' operations, Mexico lacked environmental regulation, so the remediation of environmental liabilities was not a requirement for companies.
186. A total of 490,000 m3 of vegetable soil was recovered and saved for restoration actions.
187. This project will cost more than 2 million dollars, since the remediation process calls for the removal and encapsulation of the contaminants that were dumped by other companies. It is important to point out that New Gold, as a strategy to safeguard and comply with the commitments defined as part of its participatory environmental closure plan, has paid a bail to the Federal Treasury for almost 30 million dollars that supports a 100% biophysical and socioeconomic closure. Thus, the *Patio Paseo Victoria* is currently one of the entity's most important urban recovery works, as well as a palpable example of the legacy that New Gold/Minera San Xavier will leave for current and future generations in this municipality.
188. "Pueblos Mágicos" is a program implemented since 2001 by the Mexican Secretariat of Tourism (SECTUR), to promote tourism in the country, in places where its inhabitants and local governments have managed to protect their cultural wealth, being recognized as sites with great historical-cultural attributes. These places promote local crafts, festivities and gastronomy, as well as tourist products based on adventure tourism, hiking or ecotourism.
189. New Gold Minería San Xavier S.A. de C.V. Cerro de San Pedro, 2015: *Reporte de Sustentabilidad 2015*, México, [http://sl.q4cdn.com/240714812/files/documents\\_sustainability/Reporte-de-Sustentabilidad-2015-MSX.pdf](http://sl.q4cdn.com/240714812/files/documents_sustainability/Reporte-de-Sustentabilidad-2015-MSX.pdf).
190. This includes Sonora (Nacozari, Esqueda, Guaymas and Cananea); Coahuila (Nueva Rosita); San Luis Potosí (Charcas and San Luis Potosí); Chihuahua (Santa Bárbara and Santa Eulalia); Michoacán (Angangueo); Zacatecas (Sombretete); Guerrero (Taxco); Guanajuato (León); Oaxaca (Juchitán); Campeche (Ciudad del Carmen), and Baja California Sur (Guerrero Negro).
191. *Industry*: industrial sector representatives include Petróleos Mexicanos (PEMEX), Asociación Mexicana de Empresas de Hidrocarburos (AMEXHI) and Cámara Minera de México (CAMIMEX). These organizations include the main companies in the hydrocarbon sector in Mexico and the mining companies that generate approximately 90% of the country's mining production. *Civil society*: civil society representatives were elected by a group of approximately 40 CSOs that were invited to national and regional workshops and informed of the government's intention to adhere to this standard by a driving group consisting of Transparencia Mexicana, FUNDAR and PODER. A group of representatives and alternates was elected: PODER, Economic Research Institute of UNAM, Alianza para la Sustentabilidad del Noroeste Costero (ALCOSTA), Transparencia Mexicana (TM), Universidad Autónoma Metropolitana (UAM) and the University Development Studies Program (PUED) of UNAM. Currently, ALCOSTA is not part of this group of representatives and alternates. The government formed an Inter-Secretarial Group (IG) consisting of: the Subsecretariat of Revenue, Finance and Public Credit (SHCP), the Secretariat of Economy (SE) (through the Subsecretariat of Mining) and the Subsecretariat of Hydrocarbons (SENER). Today, the IG is responsible for presiding over the Subsecretariat of Mining.
192. USAID, World Bank, Natural Resource Governance Institute, GIZ, Mexican Agency for International Cooperation for Development, British Embassy.
193. Cámara Minera de México (CAMIMEX), 2016: *Informe Anual 2016*, México.
194. Secretaría de Economía (SE), 2016, Op. cit.
195. (1) Universidad Autónoma de Nuevo León (UANL) (Nuevo León), (2) Universidad Veracruzana (Veracruz), (3) Universidad Autónoma de Coahuila (Coahuila), (4) Universidad de Colima (Colima), (5) Universidad de Guanajuato (Guanajuato), (6) Universidad Autónoma del Estado de México (México), (7) Benemérita Universidad de Puebla (Puebla), (8) Universidad de Ciencias y Artes de Chiapas (Chiapas), (9) Universidad de Sonora (Sonora), (10) Universidad Autónoma de Puebla (Puebla), (10) Universidad Estatal de Sonora (Sonora), (11) Universidad Politécnica Juventino Rosas (Guanajuato), (12) Universidad Tecnológica de la Sierra Hidalguense (Hidalgo), (13) Universidad Tecnológica del Estado de Zacatecas (Zacatecas), (14) Instituto Tecnológico de Chihuahua (Chihuahua), (15) Instituto Tecnológico de Morelia (Morelia), y (16) Instituto Tecnológico de Querétaro (Querétaro).
196. Universia México, 2016: *Licenciaturas en Ingeniería en Minas*, <http://www.universia.net.mx/estudios/ugto/licenciatura-ingenieria-minas/st/152715>.
197. Asociación Interamericana para la Defensa del Ambiente (AIDA), Transparencia Mexicana (TM), Project on Organizing, Development, Education and Research (PODER), Fundar-Centro de Análisis e Investigación, la Alianza para la Sustentabilidad del Noroeste Costero (ALCOSA), los Socios México/Centro de Colaboración Cívica (CCC), Instituto Mexicano para la Competitividad (IMCO), Centro Mexicano de Derecho Ambiental (CEMDA), Centro de Derechos Humanos Miguel Agustín Pro Juárez A.C. (Centro Prodh), Centro de Derechos Humanos de la Montaña (CDHM) Tlachinollan, CartoCrítica, Proyecto de Derechos Económicos, Sociales y Culturales, A.C. (ProDESC), Amigos del Río San Rodrigo, Oxfam, The Nature Conservancy, Red Mexicana de Afectados por la Minería (REMA), Heinrich Böll Foundation, Fundación Desarrollo Sustentable A.C., el Centro de Investigación y Capacitación Rural (Cedicar) and Centro de Investigación Intercultural para el Desarrollo (CIIDES).
198. Saade Myriam, 2013, Op. cit.  
Temper Leah, del Bene Daniela y Joan Martínez-Alier, 2015, Op. cit.  
Observatorio de Conflictos Mineros de América Latina (OCMAL), 2018, Op. cit.  
Gobierno de México, Gobierno de la República, 2014, Op. cit.  
Cámara Minera de México (CAMIMEX), 2018, Op. cit.
199. Díaz, Luis y Morones Guadalupe, 2001: *Inversión Extranjera; Derecho Mexicano y Derecho Internacional, Edición 01*, México: Themis.
200. Poder Judicial Federal, 2016, Op. cit.
201. Ministerio de Energía y Minas (MEM), 2017: *Anuario Minero 2016*, Lima, <https://es.scribd.com/document/351009672/ANUARIO-MINERO-2016-pdf>.
202. EY, 2018: *Informe Final Sexto Informe Nacional de Transparencia de las Industrias Extractivas (Sexto Estudio de Conciliación Nacional – EITI Perú) Períodos 2015 y 2016. Consultoría para la Comisión Multisectorial Permanente del EITI*, Perú, Lima, [http://eitiperu.minem.gob.pe/documentos/VI\\_INT\\_2015\\_2016%20EITI\\_%20PERU.pdf](http://eitiperu.minem.gob.pe/documentos/VI_INT_2015_2016%20EITI_%20PERU.pdf).

203. Unfortunately, there are no available figures for the hydrocarbon sector.
204. Ministerio de Energía y Minas, 2017: *Anuario Minero 2016*, Lima, p. 118.
205. Defensoría del Pueblo, 2018: *La Defensoría del Pueblo registró 169 conflictos sociales a diciembre de 2017*, Lima, <https://www.defensoria.gob.pe/portal-noticias.php?n=19531>.  
Defensoría del Pueblo, 2017: *Reporte de Conflictos Sociales N° 166*, Lima, <https://www.defensoria.gob.pe/modules/Downloads/conflictos/2018/Reporte-Mensual-de-Conflictos-Sociales-N-166---Diciembre-2017.pdf>.
206. Lanegra Iván, 2016: *¿Qué está en juego con la elección del Defensor del Pueblo?*, Lima, <http://ojo-publico.com/294/que-esta-en-juego-con-la-eleccion-del-defensor-del-pueblo>.
207. Confederación de Nacionalidades Amazónicas del Perú (CONAP); Asociación Interétnica de Desarrollo de la Selva Peruana (AIDESEP).
208. Glave Manuel y Kuramoto Juana, 2007: *La minería peruana: Lo que sabemos y lo que aún nos falta por saber, Investigación, políticas y desarrollo en el Perú*, Grade, Grupo de Análisis para el Desarrollo, Lima, pp. 135-181.
209. Baca Epifanio, 2015: *Estudio sobre Marco Normativo Minero en Perú* Lima, <http://propuestaciudadana.org.pe/sites/default/files/publicaciones/archivos/Estudio%20EBaca.pdf>.
210. The Regional Government and Provincial Municipality of Arequipa, 10 district municipalities, the Association of Popular Urbanizations of Arequipa, the Departmental Federation of Workers, COFREN, FREDICON, CONREDE, and the Environmental Management Committee of Uchumayo all participated.
211. UN Women, Women and the environment, <http://beijing20.unwomen.org/en/in-focus/environment>.
212. Grupo de Diálogo, Minería y Desarrollo Sostenible, *Por una Minería con Responsabilidad Social y Ambiental en el Perú Un acuerdo fruto del diálogo y las lecciones aprendidas*, <http://www.grupodiologo.org.pe/wp-content/uploads/2015/03/Visión-Minería-20211.pdf>.
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