

Case Study for Minera Yanacocha Gold Mine

Issues

Minera Yanacocha, located in Cajamarca, Peru, is the largest gold mining company in Latin America. Many Cajamaricans initially accepted and even welcomed the mine. Over time, however, local people began to cite environmental, economic and management concerns, as well as inequitable distribution of risks and benefits from mining development. Meanwhile, Minera Yanacocha maintained that the mine was an economic benefit to the region and upheld high environmental standards.

In June 2000 a truck contracted by the mine spilled mercury along a road that passed through three villages.

Early in 2001 a group of people affected by the mercury spill filed a formal complaint with the International Finance Corporation (IFC) Compliance/Advisor Ombudsman (CAO), alleging a lack of response by the mine to the recommendations of an investigation by an independent commission. Shortly thereafter, the CAO received another complaint claiming that the mine was adversely impacting the water, air, and livelihoods of surrounding villages and that mine development was occurring without adequate community consultation.

Process

The CAO hired CDR Associates to lead an international team to conduct an impartial assessment of the conflict. CDR's role was to find a way forward rather than act as a fact-finder, judge or arbiter. In a climate of growing community opposition to company operations characterized by protests, mobilizations, and road blockages, the CDR team traveled to Peru to clarify concerns, gather information and help resolve the issues using a problem-solving approach.

CDR's multidimensional strategy encompassed stakeholder mapping and assessment, development of a dialogue roundtable as the centerpiece for a comprehensive dispute resolution system, design of a participatory water study and community water monitoring program, and implementation of capacity building in both problem-solving skills and technical issues to prepare all stakeholders for dialogue and engagement.

With the CAO's assistance, CDR's team convened and facilitated a community-wide Mesa de Diálogo y Consenso CAO-Cajamarca (Mesa), which served as the heart of the dispute resolution system. The Mesa was a roundtable process created to foster productive exchange among diverse voices and prevent, address, and resolve the conflicts between the mine and surrounding communities.

Through a series of discussions, Mesa participants selected two top priorities: Yanacocha's impact on regional water quality and quantity, and the health of the mercury spill victims. CDR worked with the CAO, the Mesa, and a team of independent scientists to design and implement a yearlong, technically rigorous water study with a subsequent community water monitoring system.

To facilitate effective engagement in the dialogue process, the CDR team provided joint training for all Mesa members in effective communications, collaborative problem-solving, interest-based negotiation, and mediation. In addition, CDR and technical consultants helped Mesa members grasp the study process, its interpretation, and the results, plus develop ways to explain complex information in easily understood terms.

Players

- Minera Yanachocha
- International Finance Corporation (IFC)
- Multilateral Investment Guarantee Agency (MIGA)
- World Bank Group
- Representatives of national government agencies, the provincial municipality, community-based organizations, local mayors, local environmental and development non-governmental organizations, church groups, academic institutions, the chamber of commerce

Result

A new “culture of dialogue” was created between the community and the mine that enabled the parties to diffuse tensions and raise, discuss, and resolve issues in a respectful and tolerant manner.

The Mesa pioneered a highly credible, independent, participatory water study and monitoring process that preserves water quality. The Mesa’s work also demonstrated how a joint technical study can build trust between a company and a community as well as address water-related conflicts.