

Public Consultation and Disclosure Plan

Magadan Oblast, Russian Federation

1. Introduction

The Joint Stock Company Omsukchansk Mining and Geological Company (JSC OMGC) is currently developing a gold project in the Magadan Oblast, Russian Federation. The project is located 180 km southwest of the village of Omsukchan (raion center). There are approximately 8000 residents in the Omsukchan region, with the majority of inhabitants living in Omsukchan. Most of the remaining population lives in Dukat, a village approximately 34 kilometers west of Omsukchan. The remaining population is spread out over three small villages located within the Omsukchan region.

In accordance with IFC guidelines¹, JSC OMGC has completed a Public Consultation and Disclosure Plan (PCDP) based on technically sound and culturally appropriate measures that have been implemented during project development to ensure timely and effective communications with affected stakeholders. This PCDP:

- outlines the local and World Bank requirements for public consultation and disclosure;
- identifies the key stakeholders of the project;
- outlines consultation schedule;
- Describes resources and responsibilities for PCDP implementation; and,
- Describes how documentation will occur for PCDP.

Each of these sections is expanded below.

2. Regulatory Requirements

Because this project is a joint venture project in Russia requesting funding from international lending institutes, it is subject to both the public consultation requirements of Russian and IFC guidelines. The following sections summarize these guidelines:

2.1. Russian Guidelines

During development of a project in Russia, the following steps were completed to receive approval of a Feasibility Study and Environmental Impact Assessment:

¹ International Finance Corporation, Doing Better Business Through Effective Public Consultation and Disclosure, (Washington D.C., USA), 1998.

- Development of a scope of work – this was a presentation of the design concept to the regulators that helps define the project’s scope. There were no public consultation requirements for this stage of the project. The only stakeholders consulted was Gosgorteknadzor;
- Declaration of Intent – the Declaration of Intent is a short description of the project that is provided to the regulators similar to a prefeasibility study. There were no public consultation requirements for this phase of the project. The only stakeholders consulted were the local regulators that have jurisdiction over the project;
- Act of site selection – this document is provided to the regulators to defend the proposed location of the site. There were no public consultation requirements for this phase of the project. The only stakeholders consulted were the local regulators that have jurisdiction over the project;
- Feasibility Study – as part of the Feasibility Study, a full Environmental Impact Assessment was completed. The feasibility study was disclosed to both the public and the local oblast level regulators. The document was provided, along with public comments to the federal level Expertiza review; and,
- On-going Public Consultation – there are no specific requirements for on-going public consultation based on Russian regulatory guidelines. There are several documents that make reference to “informing the public about the project” but nothing that provides specific guidelines. Nonetheless, as part of OMGC’s commitment to public consultation, a program has been implemented that is considered the benchmark for companies working within the region by the local administration.

2.2. IFC Guidelines

IFC Public Consultation and Disclosure Policy is outlined in:

- IFC’s 1998 Procedure for Environmental and Social Review of Projects;
- IFC’s Policy on Disclosure of Information; and,
- Several IFC Operational Policies (OPs), particularly OP 4.01 Environmental Assessment.

IFC’s Operational Policy on EA (OP 4.01, *Environmental Assessment*) requires public consultation and information disclosure for Category A projects and for Category B projects where appropriate. Because the EA process is of public concern, IFC promotes public consultation and disclosure by the sponsor during preparation and submittal of the EA. Additionally, IFC continues to monitor regular consultation and disclosure through annual submittals by the project sponsor to IFC. IFC continues to provide positive input into the process and has been made aware of all public consultations and disclosures for this project.

3. Review of Previous Public Consultation and Disclosure

Previous public consultation and disclosure has been conducted in accordance with Russian requirements and IFC guidelines. During each phase of permitting the appropriate permitting agencies have reviewed and approved the project documentation. Additionally, prior to federal submittal of the Russian OVOS, a public meeting was held in Omsukchan. This meeting was open to the public. A summary of this meeting was submitted as an attachment to the federal approval agencies along with the Russian OVOS. Minutes of these meetings are provided as Attachment 1.

Since submittal of the OVOS/EIA, OMGC has been very active in PCDP. A minimum of 4 public meetings have been held in Omsukchan to discuss the project and progress made on development of the project. The first three meetings were focused on development of the project and commencement of operations. These meetings were chaired by the Deputy General Director (and Public Liaison), Nikolai Gregorev. The last meeting, held in February 2003, was designed to highlight the environmental, social, health, and safety aspects of the project. The meeting was chaired by the Omsukchan Regional Governor, Mr. N.N. Shadryn, and attended by the OMGC environmental staff, Bema Gold environmental coordinator, primary Russian environmental consultants, and the OMGC Public Liaison Officer. All of these meetings have been well attended by the public and regional administrators. The last meeting was held in February 2003. A summary of the meeting is provided in Attachment 2.

Additionally, OMGC continues to engage other interested and affected parties in constructive dialogue on an “as needed” basis. In 2002, OMGC responded to written questions provided by a local NGO called “Sodeystvia”. A summary of this correspondence is provided in Attachment 3.

4. Stakeholders

The following groups/organizations are considered to be key stakeholder groups that need to be informed about the project or any substantial changes made in project design or project operations:

Governmental Agencies:

- Omsukchan Regional Administration;
- Omsukchan Regional Department of Ecology;
- Omsukchan Fish and Game Committee;
- Omsukchan Division of Sanitation and Epidemiology;
- Omsukchan Land Committee;
- Omsukchan Forestry Service;
- Omsukchan Department of Subsurface Use;
- Omsukchan Branch of Gosgorteknadzor;

- Omsukchan Specialist on Matters Concerning Indigenous People; and,
- Kolyma Bureau for Hydrology and Meteorology;
- Magadan Oblast Environmental Protection Committee;
- Magadan Oblast Sanitary and Epidemiological Inspectors;
- Magadan Oblast Natural Resources Committee;
- Magadan Oblast Forestry Bureau;
- Magadan Oblast Soils Bureau;
- Magadan Oblast Architecture Inspectors;
- Magadan Oblast Bureau of Architecture and Town Construction;
- Magadan Oblast Firefighting Services;
- Magadan Oblast Energy Services Bureau;
- Northeastern Branch of the Government Mine Inspectors;
- Magadan Bureau of Safety and Accident Prevention;
- Magadan Oblast Labor Inspectors;
- Magadan Oblast Expertiza Committee;
- Magadan Oblast Water Resources Division;
- Magadan Oblast Committee for Land Resources and Land Management;
- Magadan Oblast Section Responsible for Issues of Public and National Interests;
- Magadan Oblast Section Responsible for Indigenous Peoples Issues;
- Magadan Oblast Cultural Center;
- Magadan Oblast Section for Historical Memorials and Culture; and,
- Russian Federation Ministry of the Environment;
- Moscow Expertiza Bureau; and,
- Moscow Ministry of Mining and Industry; and,
- Moscow Committee on Subsurface Use.

Population Centers:

- Omsukchan; and,
- Magadan

Special Interest Groups:

- Local NGO “Sodeystvia”; and,
- Russian Association for Indigenous Peoples of the North (RAIPON).

5. Public Consultation and Disclosure

OMGC has completed an Environmental Impact Assessment (EIA) for Category A Project. The EIA was made available as early as possible in both Magadan and Omsukchan. The OVOS was available in Omsukchan at the Administration

Building (Deputy Governor's Office) since public disclosure in July, 1997. Additionally, a non-technical summary of the EIA submitted to IFC was made available in Russian to ensure a meaningful dialogue between stakeholders and OMGC.

OMGC continues to provide updates thru the media and brochures that are distributed to the public. These updates include information on technical, environmental, social, health, and safety aspects of the project.

5.1. Public Consultation and Disclosure

Consultation on the project will complete the following goals:

- identify and inform Interested and Affected Parties (I&APs) including individuals, communities, schools, churches, local NGO's, and community organizations of important aspects of the project;
- provide an opportunity for consultation with local communities and for I&APs to voice their opinions and concerns regarding the project;
- consult comprehensively by disseminating information about the nature of the project and identifying and discussing public concerns regarding the project;
- feed information on perceptions and concerns to the project sponsors (including EA team) at an early stage of the project;
- solicit public input on preferred alternatives, mitigation measures, and similar aspects of project implementation; and,
- respond to all I&AP's concerns and as far as possible and feasible to address the concerns and issues that have been raised.

The primary vehicles used to communicate with stakeholders are those that have been successfully employed by other major mining companies doing business within the Oblast and include:

- mass media;
- meetings; and,
- Community Liaison Officer.

Mass media has been used to occasionally give updates on the project as well as provide information on public meetings. Prior to all public meetings the following steps are taken to ensure that interested parties know about the meeting:

- A press release is prepared summarizing the project and the purpose of the meeting; and,
- Copies of all documents that are discussed at the meeting are disclosed to ensure that all stakeholders have a chance to come to the meeting with comments or concerns.

Announcements are made regarding disclosure of the project documentation through newspapers, television, radio, and public hearings.

The documents are typically disclosed in the following places:

- Magadan: Office of OMGC;
- Omsukchan: Administration Building;
- Moscow: IFC offices; and,
- Washington DC: World Bank Info Shop.

OMGC has decided to use public meetings as one of the primary vehicles of public consultation and disclosure. These include meetings with the citizens of the Omsukchan Region, local NGO's and indigenous peoples. All of these meetings are conducted in Russian and minutes are recorded. A copy of the minutes is provided to representatives for all groups at the meeting. These minutes become a permanent part of the public consultation and disclosure plan.

During operations, public liaison has been conducted through a Public Liaison Officer. This person is responsible for coordinating interaction between stakeholders and OMGC. Currently, the Public Liaison Officer for OMGC is the Deputy General Director (Mr. Nikolai Gregoriev). He has lived and worked in Omsukchan for more than 20 years and is well respected as a senior manager within OMGC. Mr. Gregoriev has worked closely with the Omsukchan Administration to ensure that all comments and complaints about the project are handled in an appropriate manner.

6. Timetable

To date, the following meetings have occurred:

Public Meetings:

1 st Meeting to disclose Russian OVOS:	July 1997
2 nd Meeting to update progress on project:	December 1999;
3 rd Meeting to update project prior to release of funds:	March 2000;
4 th Meeting to update progress on construction:	Fall, 2000;
5 th Meeting to update progress on construction	Spring, 2001;
6 th Meeting to discuss project development	Spring, 2002;
7 th Meeting to discuss project development, environmental, social, health, and safety of the project	February, 2003;

On-going consultation (thru public meetings) will be conducted on an "as-needed" basis but no less than annually.

RAIPON:

This is the official English title of the national and local native association. The Russian name is literally translated as "Association of Indigenous Small-Numbered Peoples of the North, Siberia, and Far East of the Russian Federation." There are affiliates at every level of government: national, provincial, raion, and village. Local affiliates sometimes come and go, depending on the energy of local leaders. This was the case in Omsukchan, and the Association had been dormant for a couple years until last January 1999, when the local indigenous people got together and elected a representative to the Oblast meeting, which was held in March 1999.

An initial public meeting was conducted (November 12, 1999) with the President of the Omsukchan branch of RAIPON and the Omsukchan Administration Specialist on Indigenous Persons. This meeting was initiated by the client to identify past consultation with IP's on the project, identify project consultation timeline, and find out if there were any initial concerns about the project. The meeting was well received by both the Administration and the President of the Omsukchan RAIPON. Following the meeting, a letter was sent to JSC OMGC requesting positions reserved for IP's and additional financial assistance to support traditional lifestyles. A copy of this letter is provided in Attachment 4.

OMGC understands the need for continued consultation and disclosure with the RAIPON. Ongoing consultation with indigenous people has been conducted through the Association representative and the Omsukchan IP specialist.

The latest meetings with the Omsukchan IP specialist occurred in February 2003. During that time it was noted that the RAIPON had not been active for a while but that a new president of the association had been elected.

7. Grievance Mechanisms

Numerous mechanisms have been implemented to ensure that grievances can be properly filed with the OMGC for consideration. These include:

- Assignment of a Public Liaison Officer;
- Public meetings;
- Close working relationship with government offices;
- Formal meetings with IP's;

Additionally, OMGC is willing to meet with other affected stakeholders individually on an as needed basis.

8. Reporting

Reporting of results from public consultation is primarily a requirement of IFC. After the OVOS received approval, there are no more required disclosures under Russian law. Therefore, the primary reporting will be through IFC using the following documents:

- EIA submitted for disclosure in the World Bank Info Shop;
- Updates to the Environmental Action Plan (EAP); and,
- Annual monitoring reports provided to IFC.

**Attachment 1
Previous Public Meetings
(Summaries)**

**Attachment 2
Public Meeting
February 2003**

The most recent public meeting conducted by OMGC occurred in February 2003 in Omsukchan. The meeting was attended by more than 50 local stakeholders and additional government representatives. A list of the people that signed in for this meeting is provided after the Q&A section. During the meeting the following presentations were made:

- Mr. N.N. Shadrin (Head of Omsukchan Region): Introductions;
- Mr. N.V. Gregorev (Dep. General Director, OMGC): Mine Description and Exploration Activities;
- Mr. B.A. Pavlov (Head Environmental Staff- OMGC): Environmental Activities at the Julietta Mine for 2002.

Additionally, a report on the environment was given to all who attended. After the presentations, the meeting was opened up for questions. The following questions were answered by OMGC:

Q1: Did OMGC pay any environmental fines in 2002?

A1: (B. Pavlov): OMGC **did not** incur any environmental fines in 2002. OMGC did make pollution payments as required under Russian law in the amount of 93,000 rubles for air pollution, water pollution, and solid waste disposal.

Q2: Has the mine fixed the ventilation problems in the mill?

A2: (N. Gregorev): The mill continues to have exceedances of the Russian Sanitary and Epidemiological Air Quality Working Standard in the mill of 0.3 mg/m³ of HCN gas. The exceedances occur primarily in the area near the cyanide reagent mixing tank. OMGC installed a large fan in the mill to exhaust this gas and reduce concentrations of HCN. The most recent testing indicated that, while concentrations are significantly lower, there continues to be exceedances. OMGC continues to work on this problem and is looking at different options to include construction of a new reagent mixing area.

Q3: Has the mill installed a HCN detection meter that can read down to the Russian standard of 0.3 mg/m³?

A3: (N. Gregorev): The mill currently has a “state-of-the-art” Western meter that can read down to 1 mg/m³ HCN gas. OMGC is not aware of any device that can be located within the mill that reads to such low concentrations. OMGC continues to search for such a device and is willing to consider all alternatives to include certifying a person to sample the HCN concentrations in the mill every 10 days as is required under Russian guidelines.

Q4: Why doesn't the mine hire more persons from Omsukchan?

A4: (N. Gregorev): The mine has hired and continues to hire qualified persons from Omsukchan. The number of people working at the mine that are from Omsukchan is misleading because a lot of people now working at the mine that live in Magadan were hired when they lived in Omsukchan. A lot of employees find it easier to live in Magadan and work at the mine.

A4: (N. Shadrin): The question is not really a fair question. OMGC has been very diligent in hiring specialists from Omsukchan when they are available. The current situation (with 3 mines operating in the area) is that persons qualified to work at Julietta that live in Omsukchan are difficult to find. The administration is very pleased with OMGC with regards to their hiring practices.

Q5: Why weren't there enough copies of the text (provided by OMGC prior to the meeting) made for all the participants?

A5: Forty copies were made for people that are interested. If additional copies are necessary they will be made available at the Omsukchan Administration Building (person asking question is given a copy by OMGC).

At the end of the meeting, participants were invited to come up and discuss any issues that they have, look at photographs of the property, and review activity maps.

The entire meeting was video-taped and replayed on the local television station in the evening. A copy of the video-tape as well as a translation of the environmental report that was given out are provided following this section.

Attachment 3
Other Interested and Affected Parties Correspondence