


# Mina La Colorada

## Public Consultation and Disclosure Plan

Prepared by:

 DewPoint International, LLC

Fort Collins, Colorado, USA

Prepared for:



Plata Panamericana, S.A. de C.V.  
Durango, Mexico

**August 2002**

## Table of Contents

1.0	Introduction.....	1
2.0	Regulatory Requirements.....	1
2.1	Mexican Requirements .....	1
2.2	IFC Requirements .....	2
3.0	Review of Previous Public Consultation and Disclosure .....	2
4.0	Stakeholders.....	3
4.1	Governmental Agencies.....	3
4.2	Population Centers.....	3
4.3	Special Interest Groups.....	4
4.3.1	Ejidos .....	4
4.3.2	Non-governmental organizations.....	4
4.3.3	Individual Persons.....	5
5.0	Public Consultation and Disclosure.....	5
6.0	Timetable .....	7
6.1	Public Meetings .....	7
7.0	Grievance Mechanisms.....	8
8.0	Reporting.....	8

## List of Attachments

- Attachment 1: Project descriptions distributed to stakeholders
- Attachment 2: Meeting minutes
- Attachment 3: Additional correspondence with stakeholders

## 1.0 Introduction

Plata Panamericana S.A. de C.V, a wholly owned subsidiary of Pan American Silver Corporation, Incorporated, in Mexico, is currently developing the La Colorada project. The mine is located in northern Zacatecas State, Mexico, approximately 140 kilometers south of Durango. The property is accessible via a paved, two-lane highway that connects to a 23-kilometer dirt road leading to the mine site.

The property lies within the Chalchihuites mining district. This mining district is home to two of the world's largest silver mines producing over 5.5 million ounces of silver and 60,000 tonnes of zinc each year. Silver and base metal mining have been a part of this district since before the 15<sup>th</sup> century. The La Colorada mine has operated intermittently on a small scale since 1926.

In accordance with IFC requirements<sup>1</sup>, Plata Panamericana has completed a Public Consultation and Disclosure Plan (PCDP) based on technically sound and culturally appropriate measures that can be implemented during project development to ensure timely and effective communications with affected stakeholders. This PCDP:

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

Each of these sections is expanded below.

## 2.0 Regulatory Requirements

This project is an international joint venture project subject to both the public consultation requirements of Mexico and IFC safeguard policies. The following sections summarize these requirements.

### 2.1 Mexican Requirements

Under Mexican law, consideration of environmental impacts is explicitly a public process. Submission of the EIA is published in the Environmental Gazette (Gaceta

---

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

Ecologica), as well as in a widely distributed public newspaper located within the project area. Within ten days of publication any person or civil group can request permission to access the document, and can provide the Secretaria de Medio Ambiente, Recursos Naturales y Pesca (SEMARNAP; see Section 4.0) with comments or requests for modifications to the project, or propose measures to mitigate the environmental effects of the proposed activities. Though not necessarily required, depending on the scope and potential effects of the proposed project, SEMARNAP can require a public hearing to explain the technical aspects of the proposed development. A regulatory response to the proposal is supposed to be provided within 60 days, however recently the regulators have delayed decisions following requests for more data. In such cases, an additional 60 days of response time may be needed.

The announcement of La Colorada EIA submission was published in the Gaceta Ecologica and Zecetacas Sol (March 12-16, 1999). A copy of this announcement is provided in Attachment 1. During review of the EIA by SEMARNAP, no persons asked for permission to access the document or provided any comments to the regulators. Additionally, SEMARNAP did not require a public hearing to explain the project. However, SEMARNAP did ask for an extension of the 60-day review period to review additional material that was provided by Plata Panamericana.

## 2.2 IFC Requirements

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.

## 3.0 Review of Previous Public Consultation and Disclosure

Previous public consultation and disclosure has been conducted in accordance with Mexican guidelines. During each phase of permitting the appropriate permitting

agencies have reviewed and approved the project documentation. Additionally, prior to federal approval of the Mexican MIA, a notice was published in several major newspapers alerting the public of Plata Panamericana's intentions. These notices are provided in Attachment 1.

Additionally, SEMARNAP maintains a close relationship with all registered NGO's in Zacatecas. SEMARNAP consults routinely with registered NGO's on any issues presented to SEMARNAP by the NGO.

## 4.0 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:

### 4.1 Governmental Agencies

- SEMARNAP (Secretaria de Medio Ambiente, Recursos Naturales y Pesca) - the Ministry for Environment, Natural Resources and Fisheries;
- CNA – (Comision Nacional de Agua) - National Water Commission;
- PROFEPA (Procuraduria Federal de Proteccion del Ambiente) - Federal Attorney General for Environmental Protection;
- INE (Instituto Nacional de Ecologia) - National Institute of Ecology;
- SARH (Secretaria de Agriculture y Recursos Hidraulicos) – Secretary of Agriculture and Hydraulics;
- SEDENA (Secretaria de la Defense Nacional) - Secretary of Defense (SEDENA);
- STPS (Secretaria de Trabajo y Prevision Social) – Secretary of Work and Social Provisions;
- SS (Secretaria de Salud) – Secretary of Health;
- SCT (Secretaria de Comunicaciones y Transportes) - Secretary of Communications & Transport;
- SECOFI (Secretaria de Comercio y Fomento Industrial) - Secretary of Commerce and Industrial Development;
- State of Zacatecas Government, and,
- Municipality of Chalchihuites.

### 4.2 Population Centers

- Chalchihuites (5000 persons) located 16 km northwest of La Colorada;
- Sombrerete (15000 persons) located 23 km north of La Colorada;

- La Colorada (200 persons);
- Colonia Orion (50 persons) located approximately 22 km northeast of La Colorada;
- San Juan de la Tapia (200 persons) located approximately 16 kilometers northeast of La Colorada; and,
- San Jose de Ranchos (250 persons located approximately 20 kilometers north of La Colorada.

### **4.3 Special Interest Groups**

- Within the impact area, there are several types of special interest groups that need to be consulted during development of the project. These include:
  - Ejidos;
  - Non-governmental organizations; and,
  - Individual families.

#### **4.3.1 Ejidos**

Ejidos were introduced as a legal entity in 1573. They were introduced to provide communities a means for establishing common land to be worked agriculturally by the community. Under the Agrarian Law, ejidos have their own governing structure made up of an assembly, an ejido commissariat, and a security advisory counsel. Lands within ejido boundaries are held for:

- Common use,
- Human settlement, or
- Individual use/ownership.

Ejidos must comply with all federal laws and must adhere to urban development, ecological systems, and all permitting requirements. Under current guidelines, permission must be sought from the ejidos to cross their land or the land for mining purposes. There are two ejidos near the La Colorada property. The ejido bordering the eastern portion of the property is known as Ejido San Juan la Tapia. It consists of 60 families. The ejido west of the property is known as Ejido Cieneguilla-Magdalena. It consists of approximately 18 families. Plata Panamericana has enjoyed an excellent working relationship with the ejidos and has consulted them during the development of the La Colorada project.

#### **4.3.2 Non-governmental organizations**

There are several non-governmental organizations registered with SEMARNAP. Most of the NGO's registered with SEMARNAP are focused on reforestation and faunal issues near Zacatecas. To date, Plata Panamericana has used the

Environmental Network of Zacatecas (RED Ambiental Zacatecas A.C.) to disseminate information. Additional NGO's in Zacatecas that are registered with SEMARNAP include:

- Information Centre for Sustainable Development (Centro de Divulgacion para el Desarrollo Sustentable A.C.);
- Friends of Nature (Compañeros de la Naturaleza A.C.);
- ABCD A.C.;
- Environmental Network of Zacatecas (RED Ambiental Zacatecas A.C.)
- PAZ Environmentalists (Grupo Ambientalista PAZ);
- Citizen's Group for Social Action and the Environment (Agrupacion Ciudadana de Accion Social y Ambientalista); and,
- Eagle Group of Real de Monte "UMATEMOC" (Grupo Aguila Real de Monte Escobedo).

Plata Panamericana has contacted all registered NGO's and provided preliminary information to the organizations. Additional information is provided in Attachment 2 of this plan.

#### **4.3.3 Individual Persons**

Within the impact area, there are several small farms. Plata Panamerica will visit each farm that can potentially be impacted by the farm and discuss the project with the farm owner.

All stakeholders will have the opportunity to give comments on the draft and updated version of the EIA and, if necessary, company representative have expressed a willingness to meet with interested parties.

## **5.0 Public Consultation and Disclosure**

Plata Panamericana is completing an updated draft EAP for Category A Project. The draft EAP is based on the project changes that are to be implemented under the new design. The original MIA was disclosed and made available for public comment since November 11, 1999. Additionally, Plata Panamericana originally prepared a small pamphlet in Spanish that outlines the project, project impacts, proposed mitigation measures, and other information regarding the project. This document was the basis for all of the initial public meetings and was made available to all interested parties. Attachment 3 is a copy of the pamphlet.

Public consultation on the project has been on-going since the first EAP in 1999. During the initial EAP, the company was very active in the communities and ejidos around the minesite. A public consultation and disclosure plan was designed and

implemented that is in compliance with IFC/WBG guidelines. During implementation of the initial consultations, very high expectations for the project were generated due to the extensive numbers of meetings that occurred. After the financing for the project was halted, Plata Panamericana returned to a more conservative public consultation approach, meeting with village and ejido leaders to discuss progress on the project. Over the course of the next two years, meetings to discuss potential project developments were informal and not recorded. In 2002, Plata Panamericana updated the project development and plans to commence construction in Fall 2002. In July and August, 2002, Plata Panamericana arranged formal meetings with the local ejidos and communities along the access route to make stakeholders aware of project changes and project scheduling. This included meetings with the Chalchuihites (7/23/02) and Jimenez del Teul municipalities (8/5/02) and planned meetings with the villages of Colonia Orion (8/15/02) and San Juan de la Tapia (8/28/02).

Additionally, 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 prior to creation of the joint venture and include:

- mass media;
- small meetings with each separate stakeholder group; and,
- Community Liaison Officer.

Mass media will be used to occasionally give updates on the project as well as provide information on public meetings. Announcements will be made regarding disclosure of the project documentation through newspapers, television, radio, and public hearings.

The documents will be disclosed in the following places:

- Durango: office of Plata Panamericana;

- La Colorada Mine Site;
- Zacatecas: office of SEMARNAP;
- Mexico City: IFC offices; and,
- Washington, D.C. World Bank Info Shop.

Plata Panamericana has decided to use small public meetings as one of the primary vehicles of public consultation and disclosure. These include meetings with the citizens around the mine site, local ejidos and communities among the transportation route. All of these meetings will be conducted in Spanish and minutes will be recorded. A copy of the minutes will be provided to representatives for all groups at the meeting. These minutes will become a permanent part of the public consultation and disclosure plan.

During construction, Plata Panamericana will continue to update local stakeholders on the design and construction of the project. This will include meetings in Zacatecas with administration representatives, local ejido representatives, local NGO's, and other stakeholders.

During operations, public liaison will be conducted through a Public Liaison Officer. This person will be responsible for coordinating interaction between stakeholders and Plata Panamericana. This person will be related to the project, live within the project impact area, be willing to discuss issues and concerns for the project in Spanish, and be readily available to the public. Additionally, liaison will be completed by the General Director during the time when the company does not have a designated Community Liaison Officer.

## 6.0 Timetable

Based on the current schedule, the following public meetings are proposed for the project:

### 6.1 Public Meetings

- 1<sup>st</sup> Meetings to discuss MIA and receive input for EIA: April 2000 - Complete
- 2<sup>nd</sup> Meeting to discuss updated project: July/August 2002
- 3<sup>rd</sup> Meeting to update project prior to release of funds: July 2003

Ongoing public consultation through public meetings will continue to take place on a regular basis. Additionally, Plata Panamericana will meet with Durango- and Zacatecas-based non-governmental organizations to solicit input on the project and liaison as necessary to ensure that the public is properly informed.

## 7.0 Grievance Mechanisms

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

- Assignment of a Public Liaison Officer;
- Public meetings;
- Close working relationship with government offices; and,
- Formal meetings with individual affected stakeholders.

## 8.0 Reporting

After the MIA received approval, (11/11/99), the company publicly disclosed the document through public meetings. During detailed engineering, there are no more required disclosures under Mexican law.

The primary reporting will be through IFC using the following documents:

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