

ANNEX 1

Social and Environmental Impact Assessment (SEIA) of the Aurora Mine Project in Guyana

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1. Annex A - Final Artisanal Management Plan 2010.
2. Annex B - Influx Management Plan 2010.
3. Annex C - Stakeholder Engagement Plan.
4. Annex D - Community development plan.

PART A: ARTISANAL MINING MANAGEMENT PLAN

1 *BACKGROUND AND BASELINE OF ASM ACTIVITIES IN GUYANA AND THE PROJECT AREA*

1.1 *INTRODUCTION*

The presence of the artisanal and small scale mining (ASM) sector has become increasingly relevant to large scale mining (LSM) operations worldwide. It is estimated that as many as 100 million individuals are directly associated with ASM activities worldwide.¹ As the mining industry continues to grow, it is likely that the relationship between ASM and LSM operations will become increasingly important.

The ASM sector has historically been the source of the majority of gold production in Guyana. With the implementation of LSM projects beginning in the mid 1990's, the share of gold produced by the ASM sector has decreased as a national average, but still remains an important part of the national economy and a source of livelihood for many persons involved in the mining sector. While there have been no major conflicts between the artisanal and small scale mining sector and large scale mining operations in Guyana to date, the ASM sector poses significant environmental, social, health, and reputational risks to LSM operations and surrounding communities. Thus, negative impacts caused by the ASM sector may reflect negatively on nearby LSM operations particularly the Aurora project, potentially threatening its reputation and business objectives.

In Guyana, current estimates suggest that the number of persons directly employed in the ASM sector is between 7,000 and 15,000.² The ASM sector in Guyana has historically been highly regulated and formalized, requiring that all mining activities be registered and licensed and that all gold output is declared to the Guyana Gold Board or licensed dealers. However, while the sector is highly regulated, enforcement and compliance remain a key issue.

This management plan aims to describe key issues posed by the ASM sector, analyze the ASM sector in the regions of the project site, and provide recommendations for reducing the adverse impacts of the sector.

In order to be effective, this ASM plan should be implemented along with the recommendations of the Influx Management Plan (Part B) and the project-wide stakeholder engagement strategy (Part C).

1.2 *OVERVIEW OF THE ASM SECTOR IN GUYANA*

The ASM sector in Guyana has been associated with both positive and negative environmental and socio-economic impacts. While impacts generated

(1) CASM Initiative. 2008

(2) WWF. 2008

by the ASM sector are often thought to be similar to those associated with the LSM sector, it is important to recognize several key distinctions. The following sections describe the organization/structure of the ASM sector, characteristics of the ASM population, and methods/techniques followed in ASM.

1.2.1 *Organization and Regulation of the ASM Sector*

In Guyana, all mineral rights are owned by the State and administered by the Guyana Geology and Mines Commission (GGMC) in accordance with national law.

Three types of permits and license are granted: small, medium and large claims. The mining legislation specifies that large scale has an allowable property size of 500 to 12800 acres, medium scale has an allowable property size between 150 to 1200 acres and small scale has land claim fixed at 27.5 acres. Small and medium claims are granted to Guyanese citizens and may be located on any state land with no previous concessions. These claims may be grouped together with additional licenses or claims to form larger continuous blocks. Large scale claims may be granted to any entity, including companies of any nationality.

The distinction normally drawn between small scale mining and its subset, artisanal mining needs to be defined or interpreted in the Guyanese context. Artisanal mining is typically defined as mining for subsistence and survival. On the other hand, small scale mining encompasses either a profit making or income generation motive. Parties involved in small scale mining have and do exercise options: the claim holder chooses to invest in mining over other investment opportunities, and the claim worker seeks income in the mining industry. By this distinction, ASM in Guyana is dominated by small scale mining. Traditional artisanal mining in Guyana has declined as easily accessible deposits have become exhausted.

While the mining claim system is largely accepted and respected by the mining sector, the issue of **landlordism** complicates the mining claim system in Guyana. Landlordism is an accepted practice whereby a claim holder allows tenants to operate on the claim in return for a 10% tribute on gold produce on the claim. It is estimated that as much as 80% of all mining in Guyana occurs under this type agreement.³

Despite general compliance with the permitting and claim system, enforcement of existing guidelines and regulations regarding ASM sector operations are often not enforced. Thus, the ASM sector is predominantly an informal and unregulated sector of the national mining industry in Guyana.

(3) WWF. 2008

1.2.2

Composition and Characteristics of the ASM sector

The WWF report on *Situational Analysis of the Small Scale Gold mining in Guyana, 2008* states that ASM miners in Guyana are predominantly citizens from the country's Atlantic coastland who have migrated to the interior gold regions seeking opportunities.

In gold mining, all persons directly engaged have one of the three legal statuses:

- As a property owner or license holder in whose name the claim is registered;
- As a labourer employed as a salary worker; or
- As a tributor (tenant) who works in contract agreement with a claim owner for a percentage of the mineral output.

Unlike some other countries, the direct involvement of women and children in gold mining is almost non-existent in Guyana. Mainland or even Amerindian women do not participate in mining. Minimal presence of women is seen in the capacity of claimholders. The presence of women in ASM camps has grown in the form of sex workers in the recent years. A small portion of the workforce is Amerindian males who are basically employed as laborers.

The WWF report summarizes the main characteristics of ASM mining and states that:

- Males predominate in numbers in the mining sector. The only participation of women is indirectly as sex workers;
- Most miners are coastal residents who migrate to the interiors. They leave their families in the coastlands;
- ASM is not a traditional rural activity in Guyana;
- Amerindians although are the residents of the interiors have historically not practiced mining. In the recent years their numbers have increased in the mining sector only as laborers;
- Unlike in several developing countries, subsistence (poverty driven) mining is not significant in Guyana;
- Within mining regions, ASM miners are transient, always looking for better opportunities.

1.2.3

Methods and Technologies followed in the ASM Sector

Available documentation suggests that current ASM operations in Guyana have historically worked three types of gold deposits:

- River-deposited placers,
- Eluvial saprolite-hosted deposits, and
- Gold-bearing quartz veins and stringers.

Current operations are predominantly focused on eluvial deposits due to the exhaustion of river (alluvial) deposits through extensive river dredging prior to the 1990's.⁴

(4) WWF. 2008

Mining extraction methods typically employed by the ASM sector in Guyana include:

- Land dredging - in which high-pressure water jets are used to flush slurry into sumps which are pumped into sluice boxes for processing;
- River Dredging - in which underwater gravel pumps mounted on pontoons or barges are used to suction riverbed materials which are then collected and fed into sluice boxes for processing;
- Hammer Milling - in which material extracted mechanically or through blasting is crushed using a hammer mill and fed into sluice boxes or centrifugal bowls for processing;
- Ground Sluicing - in which gravel is excavated manually and fed directly into ground sluices for processing; and
- Dry Mining - an uncommon method in which excavators are used to feed extracted material to the process unit.

Regardless of the extraction method used, amalgamation is the most common means of processing gold in ASM operations in Guyana. Typically,

amalgamation is performed in an open circuit process in which mercury is manually mixed into the concentrate. The resulting amalgams is then placed in a cotton cloth and squeezed to remove excess mercury and then burnt in open



Figure 1

air to liberate the gold.⁵ Retorts to capture mercury fumes and alternative mercury-free processing technologies (such as Knelson concentrators) are not common.⁶

The methodologies and technologies typically utilized by the ASM sector lead to significant environmental, health and safety risks.

1.3

ISSUES AND IMPACTS OF THE ASM SECTOR

There are some key issues and impacts associated with the ASM in Guyana. Some of these are issues that have arisen as a consequence of the activities while others are impacts that have negatively affected health, environment and social issues.

(5) WWF. 2008

(6) Vieira R. 2006

The risk for a company or a Large Scale mining project very often is posed due to proximity to ASM. Typically some of the environmental and social impacts caused by the ASM can be confused or attributed to the LSM. It's this risk of liabilities or reputational damage that a company may suffer due to ASM.

1.3.1 *Influx of Brazilian Miners*

The advent of Brazilian miners in Guyana is relatively a new phenomenon compared to some neighboring states like Suriname. However, in the recent years, the influx has increased and the GGMC estimates more than 1,000 Brazilians in the industry. They are present as dredge operators, equipment suppliers, shop owners, traders, and exporters. Guyanese law prohibits foreign ownership of small and medium claims; therefore, Brazilian mining investors must form partnerships with local claimholders.

On one hand, Brazilian miners have brought new technology but, on the other hand, their presence has generated controversy. The question of how much royalty they pay on their outputs and the belief that there is smuggling of their outputs across the border is controversial. Moreover, reports persist of Brazilian miners throwing mercury directly in the pits to recover more gold. Brazilian operations employ very few Guyanese, which has created conflicts. There is also increasing presence of Brazilian sex workers in the interiors.

1.3.2 *Health and Safety Impacts*

According to the ILO, the five major health risks associated with the ASM sector are exposure to dust (silicosis); exposure to mercury and other chemicals; the effects of noise and vibration; the effects of poor ventilation (heat, humidity, lack of oxygen); and the effects of overexertion, inadequate work space, and inappropriate equipment⁷.

Mercury exposure and poisoning is caused primarily by improper transportation, storage and handling of the substance. The main sources of mercury pollution and poisoning in the ASM sector include direct contact with the substance during the amalgamation process, mercury fumes while burning mercury in open air, and the spillage of mercury into waterways during the separation and sluicing process.⁸

While the health and safety risks are not significantly different from those posed by the LSM sector, likely impacts are much greater in ASM sector operations for several reasons. Despite existing health and safety regulations and guidelines, the ASM sector tends to operate beyond the scope of legislation or enforcement due to the small scale, large distribution, and informal nature of ASM sector operations in Guyana.⁹ This increases the potential for negative health and safety impacts which would otherwise be prevented by adhering to applicable health and safety guidelines.

(7) ILO. 1999

(8) WWF. 2008

(9) Hentschel, T, Hruschka, F, and Priester, M. 2001

Second, ASM sector operations often do not utilize available technology that could reduce health and safety risks and protect employees from exposure to hazardous materials. Furthermore, the ASM sector often fails to implement mitigation measures to commensurate with the level of known health and safety risks, whereas LSM operations are required to utilize such mitigation measures and thus reduce health and safety impacts.

1.3.3 *Environmental Impacts*

Similarly, ASM sector operations tend to have greater environmental impacts per unit of output compared with LSM operations. Negative environmental impacts of ASM typically include mercury contamination, turbidity in streams, the creation of stagnant pools of water which serve as breeding places for malaria vectors, deforestation, alterations to river channels by tailing heaps, destruction of habitat, and land degradation.¹⁰

These risks, while similar to those generated by LSM operations, are often compounded by three related issues.



Figure 2

First, lack of mitigation measures during the operations phase increases the negative environmental impacts associated with ASM mining techniques. ASM operations often fail to utilize appropriate technology to limit mercury use and tend not to recapture and recycle used mercury, leading to greater contamination in soil, air and water.

Second, existing regulations and guidelines to reduce negative environmental impacts are not strictly enforced, contributing to a lack of compliance with such regulations within the ASM sector. Failure to abide by such regulations compounds known environmental impacts associated with ASM sector operations.

Third, ASM operations often lack appropriate closure planning and measures to reduce the long term impact of the mine footprint. Lack of sufficient closure measures contributes to long term environmental damage and land degradation. While LSM operations tend to involve larger mine footprints,

(10) WWF. 2008

strict enforcement of regulations require large mines to fully close mines and therefore reduce long term environmental impacts.

Thus, Where ASM activities are carried out in the vicinity of LSM operations such environmental impacts may be wrongly associated with the LSM operations due to misconceptions regarding the source of such environmental impacts. For this reason, ASM Management Planning is critical in order to protect the reputation of the LSM operation while mitigating the negative environmental impacts of the ASM sector.

1.3.4

Social Impacts

The ASM sector has had significant social impacts in the last decades.

Impacts on Indigenous people- The main social impact on the Amerindian population in the interior has been the disruption of their traditional ways of life. As reported, Amerindian males are increasingly being hired as labor for mining operations. This has had impacts on agriculture and subsistence farming leaving women to tend to plantations in the villages. High migration of males has also left many women-headed families in these villages. However, the increase of money in the Amerindian economies has led to higher consumerism in these interior communities. Items such as televisions, radios, imported food and beverages are commonly seen in these villages.

The overall influx of coastal population into the interiors has seen clash of cultures between Amerindians and other Guyanese, especially where ASM camps are close to Amerindian villages. The influx of Brazilians has further compounded the clashes and hostility.

High prevalence of HIV/AIDS and other STDs in mining camps- The presence of sex workers and predominance of males in the mining camps has led to rapid increase of HIV/AIDS and STDs. The WWF report indicates that a primary survey of 216 miners from one mining camp in the interior revealed a 6.5% HIV rate. There is also increasing risk of infection to the Amerindian communities as a consequence of infected males returning to the villages after working in mining camps.

High Crime Rates- There is increasing crime in the interiors due to influx of miners. The WWF report states that the perceived wealth amongst miners attracts criminals and many mining camps have been robbed by armed gangs. In addition there are news reports of smuggling, firearms, human trafficking and narcotics due to unpatrolled borders and the availability numerous rivers as transportation routes.

1.4

OVERVIEW OF ASM ACTIVITIES IN THE AURORA PROJECT'S ZONE OF INFLUENCE

The SEIA studies revealed significant ASM presence in region 7 and 3 generally, as well as around the Aurora concession in particular. There is also presence of medium scale concessions around the Aurora properties.

Information on medium scale concessions is provided by GGMC and Guyana Goldfields and is plotted in *Figure 3* below. However, for ASM there are no officially documented records because usually these concessions are too small to record and the small scale miners are transient and move often.

Around Buckhall and the Barama concession, there is no current documented data available on the presence of ASM. However photographs and surveys conducted by Guyana Goldfields along the Barama road and proposed access routes do reveal the presence of small mining camps present in these areas.

Due to the lack of available information on the socio-economic characteristics of ASM communities in the Projects zone of influence, a separate Health Impact Assessment for the ASM communities in the region was carried out by NewFields. In addition to the NewFields study, the following section provides further socio-economic baseline information regarding the ASM sector in the Project Region.

1.4.1 *Baseline of ASM Activities in the Project Region*

As mentioned above, some data and records are available to depict the status of ASM activities around the Aurora site. It is seen that the Aurora concession is surrounded by other LSM and medium-scale concessions. Out of the other LSM, some are Guyana Goldfields concessions or permit areas.

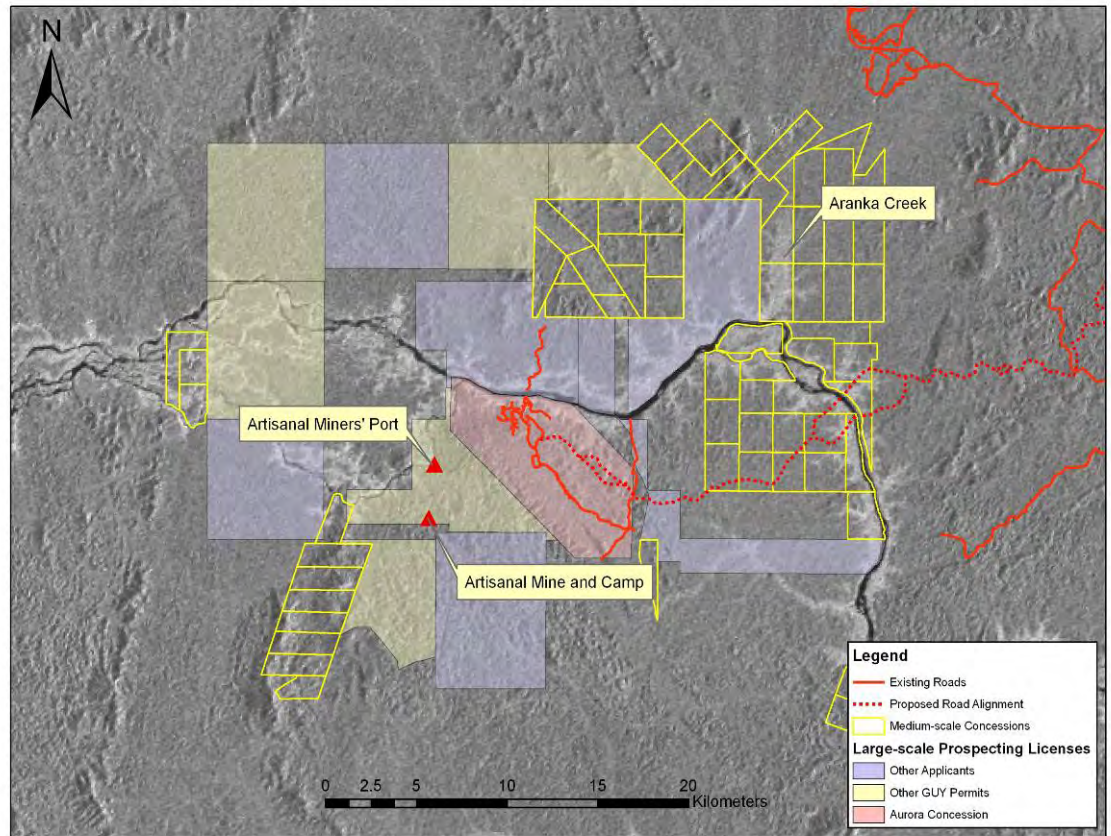
ASM locations in this region are not officially documented or plotted. However, the SEIA studies found that there are locations where ASM activities are occurring immediately adjacent to the Aurora property.

It is estimated that roughly 1,200 artisanal and transient miners living in makeshift camps are active in the region surrounding the mine area.¹¹ There is also an observed increase of Brazilian miners indicating that the environmental and health & safety hazards may have gone up due to their influx around the mine site.

Guyana Goldfields along with IFC has already recognized significant presence of ASM camps near their operations particularly in Aranka where major health risks like malaria, dengue fever, sexually transmitted infections (“STIs”), acute respiratory infections, typhoid and mercury poisoning has been identified.

(11) ¹¹ Guyana Goldfields Health Training Project Description, http://commdev.org/section/projects/guyana_goldfields

Figure 3



In addition ERM's survey revealed some ASM camps adjacent to the Aurora concession. These have also been depicted on the map above.

There are Brazilian 'garimpeiro' or pork-knocker "artisanal" mining areas along several creeks in the Cuyuni basin, including areas on the Labaria Creek, a tributary of the Julian Ross Itabu that lies within Guyana Goldfield's adjoining concession to the west of Aurora (Figure 3above).

Some consultations were held with artisanal miners at a camp with 21 residents on Labaria Creek. There are two active mining pits immediately adjacent to the camp, as well as another area about 20 minutes distant by foot (with 4 residents).



Figure 4

Brazilian ASM camp near Labaria Creek adjacent to Aurora Concession

The sediment from the artisanal mining has affected Labaria Creek downstream where fine yellowish sediments are deposited near the mouth of this stream at the Julian Ross Itabu. This camp is serviced by a port on the Julian Ross Itabu, downstream of the proposed dam site.

Environmental degradation and other hazards were observed in these ASM operations. Health and safety practices as well as mining techniques were seen to cause significant hazards.



Figure 5

Mining near Labaria Creek

1.4.2

Risks and Opportunities

The presence and impacts of the ASM activities can inadvertently affect Guyana Goldfields. As is seen in other parts of the world, ASM activities in or around LSM sites can obstruct mine planning, development and implementation, and in some instances compromise site safety. Preventing trespassing, ensuring the safety of staff, and protecting high-value mineral deposits can become expensive security issues. Thus, failure to interact in a positive manner with the ASM sector can impede operations, require large financial resources and significantly diminish a company's reputation - locally, nationally and internationally.

However, while inadequate engagement with the ASM sector can be detrimental, the opposite can also be true. The presence of ASM in the vicinity of Guyana Goldfields project offers the company an opportunity to create a 'win-win' situation for many stakeholders. Proactive engagement with the ASM sector can improve the health, safety, and security of both ASM and Guyana Goldfields workers, limit environmental impacts of ASM practices, encourage regional sustainable development, and positively influence the reputation of Guyana Goldfields. At the very least, a positive relationship between ASM and the project will prevent detrimental, costly and potentially dangerous situations from occurring.

The development of the project and associated infrastructure like roads could potentially increase the access of ASM miners to the interiors. The upgrading of the Barama road, building of a new access route connecting the Cuyuni river and overall improvement of facilities around the mine site could increase influx of such miners to adjacent or even to the Aurora concession.

The risks associated with ASM have been identified as one of the potential impacts/risks of the project. Irrespective of whether these ASM miners have a legal right to be present or not, the company is likely to inherit the problems accompanied by the ASM sector.

Thus, the development and implementation of a comprehensive Artisanal and Small Scale Mining Management Plan is required. Such a plan should:

1. Seek the long term best interest of Guyana Goldfields and the surrounding communities by preventing detrimental situations which could damage corporate reputation, project profitability, and the sustainable development of the region;
2. Ensure the safety, security, and health of all stakeholders, especially company employees, ASM miners, and local communities;
3. Minimize negative environmental impacts of ASM practices associated with the Aurora concession; and
4. Maintain a 'social license to operate' by proactively engaging with all stakeholders in order to limit conflict and create a mutually beneficial situation

If left unaddressed, the presence of an increasingly active ASM sector in the region could generate significant environmental, health, safety, and security risks among local communities and for the Aurora Project, potentially leading to operational challenges, conflicts, or diminished reputation.

This ASM plan contains recommendations on a step by step process to be followed when managing the ASM issue.

2.1

IMPLEMENTATION FRAMEWORK

The overall facilitation of the plan is the responsibility of the Director of Sustainability, CSR Manager, the CROs, and the senior management of Guyana Goldfields. The implementation structure of the overall SEMP provided in *Sections 9 and 11* should be followed in operationalizing this plan. As highlighted in *Sections 9 and 11*, the implementation of field activities such as engagement/consultations with ASM miners should be done by the CROs. Other crucial partnerships and negotiations with Government or Barama need to be coordinated by senior representatives of the project. The implementation

of this plan also needs participation from Guyana Goldfields Health/Medics and Environmental Mining specialists.

After reviewing this plan, Guyana Goldfields should create a schedule of activities and assign specific responsibilities within the team to implement various aspects of these recommendations.

2.2 *TASKS AND RECOMMENDATIONS*

A series of activities and processes need to be followed in the ASM plan. These can be done sequentially or simultaneously depending on the timing and needs of the project.

2.2.1 *Mapping of ASM activities around the Project Area*

The critical first step of the ASM plan is to ground truth and map the actual ASM activities that may be occurring within and adjacent to the Aurora concession.

The CROs should seek information from the Government and WWF (which is currently working on a project to map ASM activities in the interiors) to understand the footprints within and close to the mining concession. Similar information should be sought for the Barama concession.

Based on information from these institutions and ground surveys, a comprehensive ASM mapping should be done in a GIS. This will present Guyana Goldfields with a clear picture of the ASM presence and potential issues that may occur anywhere in their project zone of influence.

2.2.2 *Forming Partnerships with the Government*

The issue of ASM has to be managed by creating fruitful partnerships with the Government. The company should engage with the Government and rally to create better legislation, policies, regulation, and enforcement of ASM sector. The mapping exercise will serve as useful data because GGMC currently does not maintain a record of the locations and movements of the ASM sector.

Some of the complexity of the ASM sector in Guyana is that many have a legal right to be present and such mining is for economic reasons and not subsistence (poverty). However these mining operations do not necessarily follow best environmental, social and health & safety practices and neither does the Government have the resources to enforce regulation in the interiors.

Particularly, Guyana Goldfields should:

- Lobby for better legislation and policies;
- Wherever possible support the Government with resources, capacity building and implementation support to manage ASM issues;
- Serve as the builder of institutional capacity and create partnerships between various players like NGOs, ASM sector and Guyanese Government to seek mutually acceptable solutions to ASM issues

2.2.3 *Forming Partnerships with NGOs such as the WWF*

Guyana Goldfields should seek assistance in implementing the ASM management plan. Partnerships with NGOs and other civil society organizations that understand and work in remote areas on ASM are useful in reducing the burden of the company, spreading the responsibilities of managing the issue and building capacities of all institutions to work together. WWF is conducting several projects for monitoring of ASM activities in Guyana and has a deep understanding of the sector and its issues. Guyana Goldfields should partner with such organizations and involve them in the implementation of this ASM plan.

2.2.4 *Forming Partnership with Barama to maintain Buckhall area and the Roads*

The wharf at Buckhall and the Barama road form one of the main project components. The widening and upgrading of the road may lead to influx of ASM miners because easier access may be created to the interiors. A partnership between Barama and Guyana Goldfields is crucial to managing all related influx issues. See *Influx Management Plan*.

Crucial decisions such as collecting toll for use of the road and pricing of the toll tax can affect ASM miner's use of the road. The ASM plan should be implemented in coordination with Barama as they are the main stakeholders.

2.2.5 *Formulation and Enforcement of Security Plan within the Project Concession*

An appropriate Safety and Security Plan is the most basic element of an ASM Management Plan. Such a plan should ensure the safety and security of Guyana Goldfield's employees, ASM workers, and surrounding communities.

The development of the Safety and Security Plan will need to be conducted in a locally appropriate manner, be commensurate with security risks, and assess all possible solutions and alternatives to limit negative impacts.

The Safety and Security Plan should:

- Identify security risks to the project due to the ASM sector and vice versa;
- Analyze any potential for conflict and/or violence between ASM workers and company workers;
- Stipulate security arrangements and patrolling of concessions to discourage any illegal mining; and
- Clearly state and uphold policies ensuring ethical conduct and human rights especially following the Voluntary principles on Human Rights.

Implementation of the Safety and Security Plan will require disclosure to employees, local authorities, and security personnel. Safety and security personnel must be trained to operate in accordance with accepted ethical codes of conduct.

2.2.6

Consultation and Engagement with the ASM sector

A process of consultation and inclusion should be followed with the ASM sector. The mapping of the ASM locations will enable Guyana Goldfields to identify ASM mining camps around their concessions.

The Guyana Goldfields CRO's should lead consultations and establish relations with these miners.

Specific activities related to the ASM consultation should include:

- Discussion on key issues mutually affecting both the company and the ASM activities;
- Sharing of project information about proposed activities of the company through the area;
- Negotiations for win- win solutions;
- Build capacity and will of the ASM units to follow better environmental, social and Health & safety practices;
- Institution of grievance mechanism whereby ASM miners may raise comments or grievances to be addressed by the company;
- Seek input on needs of the miners and what types of projects would they benefit from; and
- Focused consultations on the investment and development options for the ASM sector and how the company can contribute.

2.2.7

Investment and Promotion of Development Projects for the ASM sector

The company should invest in development of the ASM sector through funding projects, implementing training programmes and building capacity. It is recommended that all projects be partnered with the Government or through NGOs like WWF that have ongoing programmes in the ASM sector.

Guyana Goldfields will benefit through such partnerships and the investment in the development of the ASM sector will in turn portray the company as a good neighbor and responsible corporate citizen.

Some key areas where the company can invest or build capacity include:

Setting up a Processing Centre

Guyana Goldfields can establish a Gold processing centre for ASM miners. During gold recovery, the gold is collected with other impurities. The gold plus impurities is referred to as the concentrate and may include soil, other metals. The small and medium scale miners typically recover the gold by amalgamation with mercury and burn the mercury off to recover gold. If the gold is recovered by gravity methods only, (no mercury use) it will have impurities that must be removed. The processing centre set up by Guyana Goldfields can serve this purpose of processing/final recovery of Gold. This will help ASM miners and minimize the use of mercury for beneficiation and at the same time meet the objectives of the Government's Low Carbon

Development Strategy (LCDS) which include the banning of mercury use in the gold mining sector. Setting up such a centre will require funding, resources, and staff. Guyana Goldfields should do careful planning and partner with the Government to run such a centre.

Health Initiatives

As HIV/AIDs and spread of STDs is an issue in ASM camps, Guyana Goldfields should prioritise health as an investment area. The company has already, along with IFC (SME Department, Global Linkages Unit) & The World Bank (Community and Small Scale Mining Unit), piloted a Health programme.

The objectives of the proposed Health Pilot is to build a business case that improving the health of Guyana Goldfields' workers improve also the broader artisanal and small scale mining community surrounding the project. The pilot aims to achieve the following impacts for the company staff as well as for the community surrounding the project area:

- Change in behavior to reduce number of sick days; and
- Create greater awareness and provide access to health information concerning the prevention of malaria, dengue, typhoid and other waterborne diseases.

The health consultancy firm, Newfields, has been identified to conduct this project and one of the components is to train the Guyana Goldfields medics (train the trainers) and ensure that they in turn work on community health in ASM camps. Aranka has already been identified as the target area.

Going forward, Guyana Goldfields can promote more interventions in health & safety such as:

- Safety Training Sessions for ASM Workers;
- Provide sector specific training designed to limit ASM related injuries, exposure to hazardous materials; and
- Increase general awareness of health related issues, especially related to malaria, dengue, typhoid and other waterborne diseases.

The Newfield report will provide recommendations on strategy and health initiatives to be followed by the company. These recommendations should be adapted within the framework of this management plan.

Technical Training and Equipment Recommendations for Bettering Environmental, Health & Safety Conditions of the ASM Sector

The methods and technology commonly utilized by the ASM sector in Guyana have been associated with significant environmental, health and safety risks, as described above. These risks may be mitigated by appropriate technical training and recommendations of alternative extraction and processing methods. Guyana Goldfields can promote technical training and alternative equipment recommendations to manage these risks.

Technical training should seek to increase awareness among the ASM mining community of the associated health risks of specific mining related activities and provide or recommend improved alternatives. Guyana Goldfields can fund a training centre in the interior or organize small training sessions in the ASM camps.

Technical training sessions may include:

- Teaching miners how to recover gold through gravity methods only which will diminish mercury use. Involve the Government departments in these trainings because one of the aims of the Government's LCDS is to ban mercury use in the gold mining sector;
- Demonstrations and explanation of the use of retorts in the amalgamation process, emphasizing both the environmental, health and safety benefits and the likelihood of increasing the amount of recaptured mercury;
- Demonstrations, explanations and possible provision of equipment for gravity separation techniques such as improved sluice boxes, the Cleangold sluice, the Gemini table, or the Knelson, Falcon or Knudsen centrifuges; and
- Demonstration or explanation of chlorine processing techniques; and
- Additional technological or methodological recommendations to mitigate environmental, health and safety risks.

Collaborate, Where Feasible, with Other Relevant Initiatives

Guyana Goldfields should seek to collaborate, where feasible, with relevant initiatives being carried by other actors in the project region. Collaboration with such initiatives may present an ideal opportunity to contribute to the long term development of the project region without creating dependency among local communities or requiring extensive financial commitment from the company.

However, Guyana Goldfields should only consider collaboration when such initiatives are directly aligned with both the business needs of the company and the long term community development and capacity building needs of the ASM sector in the Project Region. Such initiatives may include, for example:

- Participation in local or regional planning committees, community development partnerships, or multi-stakeholder interventions;
- Public awareness campaigns related to sustainable community development;
- Collaboration* (where feasible) with infrastructure development planning; and
- Collaboration* (where feasible) with social service planning regarding educational and healthcare facilities related to the ASM sector.

**Note: Collaboration with local or regional planning initiatives in no way implies direct financial support or infrastructure development; rather, it entails participation in relevant planning processes.*

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PART B: INFLUX MANAGEMENT PLAN

One of the key issues identified by the SEIA studies is the potential influx of immigrants to the interior areas that may be triggered by the project. Migration associated with economic opportunity is a common phenomenon. One form of migration is project-induced in-migration (or influx), or the movement of people into an area in anticipation of, or in response to, economic opportunities from the development and/or operation of a new project. This inadvertently creates unplanned development in remote areas which lack resources and infrastructure to support such growth.

In context of the Aurora project, it is possible that people could come from various parts of the country to the mine site looking for work and/or setting up small businesses to cater to the Aurora workforce. Similarly, the development of the Barama road and Buckhall port may create better access attracting artisanal miners, illegal loggers, small traders, and sex workers to the area.

An influx situation could have a variety of effects including:

- Environmental impacts - The mine site is in a remote area which lacks infrastructure or services. Rapid development of informal settlements will have significant degrade the local environment (water quality), impact biodiversity (forest clearance, bush meat hunting), etc.;
- Social impacts - influx is likely to lead to an increase in alcohol and drug abuse, prostitution and crime;
- Health impacts - The influx of people from outside could possibly create health risks to the Aurora workers and vice versa. Very often the introduction of new people into the area is often accompanied by transmission of contagious and other diseases. Influx of sex workers often leads to rise in HIV and other STD rates; and
- Security issues- Any influx can create security issues and increase crime leading to impacts on the Aurora Project;
- Fence line development- It is often seen that incoming migrants tend to occupy a perimeter area around any industrial development. They could set up houses and shops and squat around or near the Buckhall port or even near the Aurora camp site. Such unplanned growth is literally called fence line development.

While growth due to unplanned influx is a typical phenomenon in most developing countries, the project needs to take some responsibilities for any influx caused by it.

1.1

MANAGEMENT PLAN

The management of influx requires partnerships between the Government, Guyana Goldfields, and the civil society in order to align developmental priorities and promote planned regional growth. No one agency can effectively manage project induced influx without alignment of development goals, capacity and partnership with other institutions. In context of the Aurora project, careful analysis and planning need to be done to manage influx, along with proactive monitoring of the project area.

1.1.1

Identifying 'Influx' Hotspots

The SEIA has identified certain zones where influx is more likely to occur (See *Section 7 of SEIA report*). The company will need to identify/map areas that are 'hotspots' more likely to attract influx. Some of these identified by the SEIA are:

- Buckhall- Owing to the new port, it may attract workers and job seekers, leading to fence line development around the Buckhall facilities;
- Barama Road- The improvement of the Barama road and presence of workers to upgrade the road and in later phases the vehicular traffic transporting goods and materials for the project (including barge crossing of the Cuyuni River) may encourage settlers to squat alongside the road and operate small shops and service centers. These could particularly include bars and places where sex workers operate;
- Aurora site- The presence of a significant workforce in the Aurora camp may attract people seeking jobs or even to cater to these workers in the camp, leading to fence line development.

The company needs to map these zones and use these maps for discussion with the regional Governments and other stakeholders.

1.1.2

Stakeholder Engagement

The most important stakeholders who should be involved in the process include:

- Regional Governments (Regions 7 and 3);
- Barama Timber Company;
- Central Government (especially the licensing departments);
- Ministry of Transport;
- Ministry of Forests;
- ASM Associations; and
- NGOs that influence national and local public opinion.

The critical part of the discussions with these stakeholders is to have a common understanding about the influx question. All the agencies need to understand and accept that unplanned development is not desirable. The company should present the recommendations of the SEIA studies and seek partnerships and solutions to manage the influx problem, especially in the hotspots identified.

1.1.3

Forming an Influx Management Committee

One of the ways of ensuring partnerships and mutually acceptable solutions is to create an Influx Management Committee. This committee should have representation from all important stakeholders. Some of the main functions of this committee should include:

- Serving as a platform where issues of influx and solutions can be discussed;
- Division of roles and responsibilities amongst the member agencies. For example controlling influx on the Barama road will require resources and financing from both Guyana Goldfields and Barama Authorities. Similarly the Ministry of Forests or GGMC granting licenses and permits to ASM miners need to record, create inventories and even monitor the concessions;
- Coordination among agencies to ensure that no unauthorized squatting or access is allowed to outsiders;
- Raising tolls or charges for using the Barama road may also help avoid influx;
- Funding for resource needs like security should be shared between the committee participants; and
- Identification, reporting and management of any unplanned influx as the project goes forward.

Guyana Goldfields should function as the main facilitator and chair this committee. Wherever financing needs arise Guyana Goldfields should be the main contributor and its staff such as the CROs should perform the tasks assigned by the committee (for e.g. consultations with certain stakeholder groups) to manage influx.

PART C: STAKEHOLDER ENGAGEMENT PLAN

1.1 INTRODUCTION

Stakeholders are defined as those groups or individuals that 'will be directly or indirectly affected, positively or negatively, by the project ... and who can contribute to or hinder its success'. Identification of stakeholders, especially those vulnerable groups or individuals that are not highly visible or well represented, is an important step in any stakeholder engagement process. Continuous stakeholder engagement is an ongoing process throughout the project life cycle and is critical in helping a company gain 'social license to operate'.

Guyana Goldfields has been active on the Aurora project since 2000 and has historically been communicating with various types of stakeholders in Guyana. The SEIA studies, however, revealed certain issues:

- Stakeholder interactions are managed by various personnel mostly located in the Georgetown office; some that are responsible for liaising with Government departments and others that interact with communities. However, these duties/functions are not formalized and there is no documentation of stakeholder issues/grievances;
- There is lack of dedicated resources to manage stakeholder relations. By virtue of being a small exploration unit, Guyana Goldfields functions in a skeletal capacity with managers and staff taking on multiple functions;
- Several studies were commissioned by the company prior to the SEIA including a baseline study in 2006 which assessed communities and stakeholders. Although the company has established relationships with stakeholders and communities in areas like Bartica, Buckhall and Itaballi, these interactions are mostly ad hoc and on a need to need basis; and
- On the whole, Guyana Gold currently lacks a proactive stakeholder engagement strategy and has no systematic procedure in place to interact or engage with the local communities.

The project therefore requires a stakeholder engagement plan that will help Guyana Goldfield's in assessing the social environment in which they operate and in particular to:

- Identify conflicts of interest between stakeholders in order to help manage such relationships during the course of the project;
- Identify relationships between stakeholders that may enable "coalitions" of project sponsorship, ownership and co-operation;
- Assess the capacity of different stakeholders and stakeholder groups to participate in engagement activities;
- Formulate strategic and flexible engagement strategy built on principles of transparency, coalition and cooperation between the company and the stakeholders; and
- Assess the appropriate type of participation by different stakeholders at successive stages of the project cycle.

1.2

SUMMARY OF STAKEHOLDER CONSULTATIONS TO DATE

As mentioned above, Guyana Goldfields began exploration on the Aurora site in year 2000. Over the years, relationships have been formed by the company with various stakeholders. However, there is no strategy or planning for management of stakeholder issues on a daily basis or a system of grievance redress for external stakeholders such as communities, NGOs, and the media.

Despite the lack of a proactive system, several studies and information disclosure exercises have been held over the years which involved stakeholder consultations. This served the purpose of disseminating information about the project and negotiating concerns with stakeholders whenever they arose. The Guyana Goldfields staff also regularly interacts with various agencies, NGOs, and Government departments, as well as communities on a need to need basis. It is therefore important to understand the sequence and type of consultations held with various stakeholders in the project to date.

1.2.1

Baseline Study in 2006

A baseline study was commissioned by Guyana Goldfields in 2006. The Aurora baseline study was initiated in January 2006 and carried out by GSEC. A series of consultations were held with sectoral agencies, Non-Governmental Organizations (NGOs) and members of communities.

The following consultations were held for the study:

- The Amerindian Action Movement of Guyana (TAAMOG);
- Guyana Organisation of Indigenous Peoples (GOIP);
- Amerindian People Association;
- Kurutuku Community;
- Guyana Goldfield Workers at Aurora;
- Guyana Geology & Mines Commission;
- Conservation International (CI);
- Iwokrama Rainforest Programme (Iwokrama);
- The National Trust of Guyana;
- Ministry of Local Government;
- Ministry of Health; and
- Residents of Bartica and surrounding communities.

1.2.2

EPA Process

In Guyana, the Environment Protection Agency (EPA) as a part of its licensing process has to facilitate public consultations before granting a mining license. Guyana Goldfields has applied for mining license for the Aurora project and a separate EIA had to be submitted to meet the requirements of the EPA by June 2009. As a part of this process several public meetings were organized by the EPA. Firstly, the EPA facilitated meetings with sector agencies and the public to incorporate their concerns into the final TOR for the EIA study. At the onset of the detailed EIA study, the EPA facilitated one meeting with sector agencies on 28th April and a

public meeting in Bartica on 29th April, 2009. After the submission of the EIA to the EPA, the reports have been made public for comments. Copies of the EIA were also submitted by the EPA to the Regional Democratic Council in Region 7 who is responsible for disseminating information to Village Captains. After review by interested parties and within a 60 day period, comments, are welcomed from the public.

Thus a parallel process of public consultations has been initiated by regulators for the project and all stakeholders are being given the opportunity to comment and raise concerns about the project. The final EIA will take into account these concerns and include them in the project design.



Figure 1

1.2.3

SEIA conducted by ERM

Public Meeting in Bartica April, 2009

Consultations were carried out by ERM for the SEIA studies. The fieldwork included consultations with:

- Ministry of Amerindian Affairs;
- Indigenous Peoples NGOs (GOIP, APA and TAAMOG);
- WWF;
- CI; and
- Settlements/Communities in:
 - Aranka;
 - Kurutuku;
 - Bartica;
 - Itaballi;
 - Parika;
 - Buckhall; and
 - ASM camps adjacent to the Aurora concession.

These consultations were used as a platform to disseminate information about the project and solicit stakeholder's concerns on the environmental and social issues.

In context of the Aurora project, continuous engagement and consultation is key to creating stakeholder acceptance and favorable public opinion about the project. Stakeholders should be continuously engaged and included in the entire project life cycle; construction, operations and closure.

This plan provides recommendations on how Guyana Goldfields should consult with stakeholders on project activities going forward and disclose project information, using methods of communication that are inclusive (i.e., accommodating various levels of vulnerability), culturally appropriate, and adapted to the communities' language needs and decision-making, such that members of these communities fully understand how the project will affect their lives. The plan also highlights the mechanisms for setting up a grievance system for stakeholders.

Stakeholder engagement is an umbrella term encompassing a range of activities and interactions over the life of a project. These can be divided into components, each of which is discussed in a separate section below:

- Stakeholder Identification and Mapping;
- Information Disclosure;
- Continuous Stakeholder Consultation; and
- Grievance Management.

2.1

STAKEHOLDER IDENTIFICATION AND MAPPING

It is critical to identify and understand all stakeholders related to a project. Stakeholder Identification and Mapping is an exercise which enables a project to identify its stakeholders and map them according to 'interest' and 'influence.' IFC held a workshop with Guyana Goldfields to identify and map all the related stakeholders of the project. The purpose of this was to create awareness about the stakeholders of the project and facilitate a strategic engagement process with them.

In the workshop stakeholders were mapped according to interest, influence and the levels affected by the project. Responsibilities were assigned within the existing organization to consult and engage with each category of stakeholders (*Table 1*).

Table 1: Preliminary Stakeholder Mapping

STAKEHOLDER	INFLUENCE	INTEREST	AFFECTED	RESPONSIBILITY FOR MEETING
President & Prime Minister of Guyana	High	High	High	Ms. Violet Smith
Government Ministers	Moderate	Moderate	Moderate	Ms. Violet Smith
Guyana Geology and Mines Commission (GGMC)	High	High	High	Mr. Cyprian Moffett
Foreign Affairs	Moderate	Moderate	Moderate	Mr. Patrick Sheridan

Revenue Authority	Moderate	Moderate	Moderate	Mr. Keith Chang
Forestry Commission	Moderate	Moderate	Low	Mr. Charles Ceres
Environmental Protection Agency (EPA)	High	High	Moderate	Mr. Charles Ceres
Water Authority	Moderate	Moderate	High	Mr. Charles Ceres
Investors & Financers	High	High	High	Mr. Claude Lemasson & Mr. Patrick Sheridan
International and Local NGO's	Moderate	Low	Low	Mr. Eric Phillips & Ms. Ayaana Jean-Baptiste
Media	Moderate	Moderate	Low	Ms. Violet Smith
Gold and Diamond Miner's Association	Low	Moderate	Moderate	Ms. Violet Smith
Local Communities	Moderate	Low	Moderate	Ms. Ayaana Jean-Baptiste
Artisanal Miners	Moderate	Moderate	Moderate	Mr. Cornel King
Suppliers & Contractors	High	High	High	Mr. Reginald Lowe
Employees	Moderate	High	High	Ms. Shauna Sparman

This stakeholder mapping exercise should be repeated at various stages of the project cycle (such as before start of construction and operations) to identify and include new categories of stakeholders. At the same time in order to make stakeholder engagement a continuous and sustainable process, Guyana Goldfields should refer the organization structure, roles and responsibilities proposed in the SEMP and assign roles for stakeholder engagement going forward accordingly.

2.2

INFORMATION DISCLOSURE

Disclosure is a process of making information accessible to interested and affected parties. Communicating such information in a manner that is understandable to stakeholders is an important first (and ongoing) step in the process of stakeholder engagement. All other activities, from consultation and informed participation to negotiation and resolution of grievances, will be more constructive if stakeholders, including communities, have accurate and timely information about the project, its impacts, and any other aspects that may have an effect on them.

Guyana Goldfields already manages a website for the Aurora project which has all project related information. However, not all stakeholders, especially those in remote areas of Guyana, have access to web-based information. Therefore a more concerted effort needs to be made whereby all stakeholders can get information about the project. The project should follow the following principles and recommendations.

Be Transparent- Good practice involves taking steps to increase transparency and accountability as a means of promoting understanding about the project and engendering public trust. Adopting a “presumption in favor of disclosure” means being forthcoming with information whenever possible, especially if there is no

compelling reason not to share it. Lack of information can lead to the spread of misinformation about a project that can be both damaging to a company's reputation, and undermine efforts to engage in an informed dialogue with stakeholders. Sometimes stakeholders care less about the actual content of the information being disclosed than they do about the principle of openness and transparency

Disclose early – with the aim of providing relevant information to targeted stakeholders in advance of decision-making. At a minimum, explain next steps and be clear about which project elements are fixed and which can be changed or improved upon, based on consultation and participatory inputs.

Disclose objective information – to the extent possible, and be open about the project. In short, “tell it like it is.” Refrain from exaggerating the good news, such as employment opportunities, or playing down the bad, such as anticipated adverse impacts of the construction period.

Design disclosure to support consultation – Where appropriate, treat the disclosure of project and environmental and social information as an integral part of stakeholder consultation. Give people the information they need to participate in an informed manner. Crucially, leave sufficient time between the provision of information about the benefits and disadvantages of the project (or changes to project operations and their implications) and the start of consultations. People need time to think about the issues and weigh the trade-offs.

Provide meaningful information – in a format and language that is readily understandable and tailored to the target stakeholder group. The aim should be for the information provided to enable people and organizations to make informed judgments about changes that will affect their lives. This may mean that information will be required in different formats in order to meet the needs of various audiences. Points to consider in determining what forms this information should take and how it gets presented include: level of technical detail, local language and dialects, cultural sensitivity, roles of women and men, ethnic composition of communities, literacy levels, community leadership structures, and local methods of disseminating information within stakeholder groups.

Organize Public Meetings to disclose the SEIA- Although Guyanese legislation does not mandate the company to hold any disclosure focused public meetings (as it has its own parallel process), it is generally considered best practice to share the findings of any SEIA with the stakeholders in an open and transparent manner. Guyana Goldfields could organize a few public meetings inviting participation from all stakeholders where the key findings of the SEIA will be disclosed. Holding these meetings in remote areas such as Buckhall, Parika or Bartica will encourage participation from interior communities and ASM miners. The meetings can serve as a forum where issues as well as mitigation measures are freely discussed while soliciting the concerns of these stakeholders. The company should discuss the option of holding public meetings with IFC and formulate a Public Meeting plan specifying dates, locations and content of these meetings.

As mentioned above, stakeholder engagement has been done to a certain degree by Guyana Goldfields since 2000. Consultation is a two-way process of dialogue between the project company and its stakeholders. Stakeholder consultation is really about initiating and sustaining constructive external relationships over time. The essential thing to do moving forward in this project is to create a strategic consultation process which is transparent, frequent and focused to the needs/concerns of all parties.

Some key tasks to be carried out to ensure continuous consultations are:

- All the stakeholders mapped in this project should be targeted for frequent and recurring meetings. Each stakeholder should be assigned a dedicated person within the company who will engage with them (see *Table1*);
- The SMP recommends forming a Community Relations team in which Community Relations Officers (CROs) are the face of the company amongst the local communities especially in the remote areas of the project. These CROs should make adequate visits to these localities/neighborhoods and consult with the people on various aspects of the project. The CROs should use participatory methods and PRA techniques to ensure effective participation of all sections of the communities especially women, youth, indigenous people, the elderly population, etc.;
- All project representatives should ensure that clear, concise and unified messages reach stakeholders and that no confusion is created by multiple messages;
- Project staff should hold frequent meetings to discuss stakeholder concerns learned from meetings and consultations and then brainstorm on how to manage/respond accordingly;
- Stakeholder feedback should be documented and incorporated. Consulting people entails an implicit “promise” that, at a minimum, their views will be considered during the decision-making process. This does not mean that every issue or request must be acted upon, but it does mean being clear with people about which aspects of the project are still open to modification based on their input, and which are not. Inevitably there will be limitations, both commercial and practical, in the degree to which stakeholder demands can be met. At other times, making modifications as a result of stakeholder feedback will make good business sense and contribute to local development, or can be done as a gesture of good faith and relationship-building;
- Documenting consultation activities and their outcomes is critical to effectively managing the stakeholder engagement process

An appropriate grievance resolution mechanism is required to ensure that community/stakeholder complaints are heard and processed and that corrective actions are taken during the various phases of the project. A grievance mechanism allows for communities and stakeholders to present, without fear, their grievances to the company for consideration and correction. It is a procedure established to actively manage and track grievances received from external stakeholders about a

project's impacts or company operations. These grievances could also be concerns/issues that are non project related.

To achieve this, the grievance mechanism assigns roles and responsibilities for who will receive public grievances, how and by whom they will be resolved, how the response will be communicated back to the complainant, and sets out how the resolution will be monitored and tracked. It also defines the time frames for receiving and reviewing grievances, responding to complainants about outcomes, and implementing appropriate corrective actions. Grievances can vary from specific claims for damages/injury to criticisms or suggestions about the way a project is implemented.

In addition, to be effective, the grievance mechanism has to be publicized to the local communities, and be free and easily accessible to them as and when they need to file a concern or complaint.

A two pronged approach should be followed when setting up a grievance mechanism for the project:

- Firstly, ensure that the six settlements identified in the project zone of influence have mechanisms available to raise their concerns to the company; and
- Secondly, consider the larger radius of all stakeholders for e.g. Amerindian NGOs, civil society organizations, government departments and ensure that the grievance redress system is available to them as well.

Information collected through the grievance mechanism will be used to appropriately resolve grievances, improve project operations, programs and other initiatives to reduce the likelihood of additional grievances, and to contribute to ongoing monitoring, evaluation and reporting. While internal reporting will occur on an ongoing basis, a yearly report summarizing the performance of the grievance mechanism will also be submitted to the IFC as part of the AMR. This report will evaluate the performance of the grievance mechanism, flag key issues and stakeholders which the IFC should be aware of and present any relevant recommendations for improving the social performance of the project.

2.4.1 *Participation of the Local Communities in setting up the Grievance mechanism*

When it comes to grievance redress systems it's important to have systems that actually work for the local communities. For example, a government representative may have access to a phone and can raise concerns to the company but a remote rural community may not have phones or good postal services making it difficult for the community to reach out.

It is important to understand that local communities or villages/settlements are a distinct and unique stakeholder category. In case of the six settlements, they are very remote and unable to access modes of communication like phones, internet or even postal mail. Some of the areas like Bartica have cell phone coverage but the remaining locations have very little access to communication facilities. It is

important to consult with these communities about the most effective ways of ensuring their participation in the grievance mechanism.

Certain steps need to be followed in order to involve the local communities in the setting up of the grievance mechanism such as:

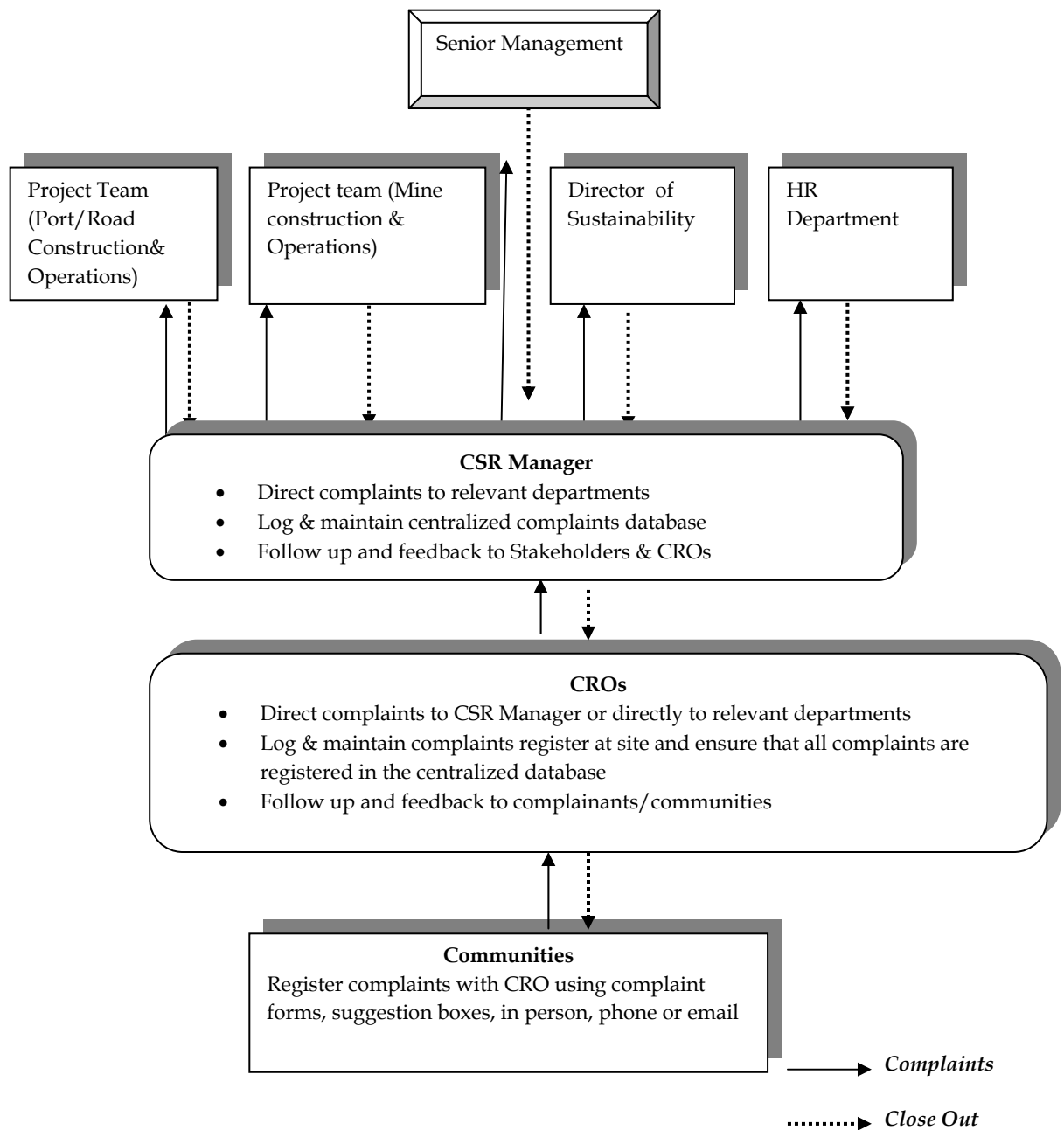
- CRO's should consult with the settlements about the preferred mode of raising concerns/complaints;
- Hold small meetings to discuss how an effective grievance mechanism should work;
- Hold informal discussions and/or focus group discussions with various sub groups in the settlements such as women, youth, elderly, lower income households, to understand how different groups want to approach the grievance system; and
- Finalize or design the grievance system based on feedback from the communities and suggestions on what will work for them.

2.4.2 *Setting up a grievance system (Figure 2)*

- The grievance mechanism should be easily accessible to all segments of the affected community with no cost to them, and without impeding access to other judicial or administrative remedies;
- Set up a dedicated phone number (free of charge for complainants) and/or email;
- In the remote areas set up suggestion/complaint boxes;
- Instate a Guyana Goldfields PO Box where all stakeholders can send written complaints;
- Ensure that the CRO is present in the local communities at least once a month so that he/she can be approached by community members with complaints/concerns in person. Frequency can be stepped up if necessary during particularly intensive periods of the project;
- CROs should record complaints in a register from their visits;
- In places which provide access to the interiors like Bartica, Itaballi and Parika place complaints/suggestion boxes;
- For tracking, all grievances should be assigned an ID number and a specific schedule should be assigned for each step (e.g. acknowledge grievance is received to complainant (one week), unless urgent (24 hours) and assign grievance for processing (one week), close out (maximum one month);
- On receiving a complaint where the issue relates to something physical (injury or infrastructure), encourage complainants to provide photographic or physical evidence;
- The CROs should direct complaints to the CSR Manager and wherever appropriate to the direct department responsible like the construction team in the mines;
- A centralized complaints database should be managed in the Georgetown office where all complaints received from various sources are recorded;
- The follow up and close out of complaints should be facilitated by the CSR Manager and directives provided to the CROs on what to do in specific cases;
- Grievances against a contractor or sub-contractor should be investigated by a combined team if possible to ensure checks and balances

- If a complaint is inadmissible provide a reason to complainant in writing (and hand deliver with oral explanation if illiterate);
- Provide an effective closeout mechanism including signature from complainant on resolution, filed documentation as necessary and, if required, follow up public meetings depending on nature of complaint; and
- Ensure company management receives regular reports on nature of complaints - weekly during construction, monthly during operations and post operations - for consideration.

Figure 2. Flow of Information in the Grievance Mechanism



2.4.3 *Train company personnel on importance and use of mechanism*

- Training should be provided for all those personnel who come into contact with external stakeholders to ensure that they are aware of the process and its importance in building trust with the local community, and in tracking trends and concerns;
- Training can include role play in receiving a grievance, and investigating a real complaint, as well as the systems that need to be followed by all company personnel receiving a complaint. Personnel need to understand that orally received grievances need to be logged and pursued as well as written ones, and are just as important.

2.4.4 *Advertise the grievance mechanism to stakeholders*

- This can be done through community meetings, posters in public places, company website and by making available Grievance Forms at convenient locations;
- Ensure that the grievance mechanism is clearly and simply described in each public place, including on the website;
- The CRO should inform communities about the mechanism during meetings.

PART D: COMMUNITY DEVELOPMENT PLAN

1.1 INTRODUCTION

Community development or social investment has become a basic expectation from any company that operates in a developing country. Very often companies engage in community development because they are committed to social responsibility however it is widely recognized that investing in communities constitutes good business sense. Fostering harmonious relations with stakeholders and ensuring that there is some amount of benefit sharing helps projects function in a smooth manner. Good social/community investment ensures that:

- Companies secure a 'social license' to operate
- Creates strategic advantage by establishing relations with communities
- Reduces social risks like conflict, security and discontent as a result of improved relations
- Proactively manages social issues and risks so that senior management does not have to get directly involved in resolving conflict with communities
- Providing economic and other growth opportunities to the communities fosters development in the area and helps enhance a company's reputation
- Investment by the company in community development fosters overall progress of the region and showcases the company as a responsible organisation that gives back to society
- Enables the communities to feel like a part of the project and beneficiaries of development

1.2 SUMMARY OF GUYANA GOLDFIELD'S COMMUNITY INVESTMENT TO DATE

Guyana Goldfields began exploration on the Aurora site in year 2000. Over the years relationships have been formed by the company with various stakeholders and the company has funded community projects in Guyana.

Although Guyana Goldfields has recently articulated its CSR vision and objectives, one of the company's aims over the years was to promote the welfare of indigenous people. A conscious attempt was therefore made to hire individuals from the indigenous communities in the exploration phase of the Aurora project. In order to encourage social cohesion and productivity improvements, Guyana Goldfields has strategically hired groups from the same communities and not from multiple areas. The result has been that these communities have benefitted as a larger group. The Amerindian village of St. Cuthbert's, is such an example where 47 individuals were hired by the project.

Several other CSR programs were undertaken by Guyana Goldfields based on consultations with communities, national representatives and NGOs. The table below presents a summary of the projects funded by Guyana Goldfields.

Summary of Guyana Goldfields Inc CSR Projects from 2002-2009

Date	Project Name	Project Description	Community/Individuals Benefitted	Approximate Budget (Guy\$)
2002-Present	Camp On-Site Medical Services & Assistance	<p>i) Provision of malaria treatment</p> <p>ii) Several health conditions that the medics are able to treat on-site</p> <p>iii) In extreme emergencies, provide medi-vac and ambulance services to Georgetown hospitals</p> <p>iv) HIV/AIDS counseling , treatment and support</p>	<p>Several individuals from communities near and far from campsites in a random drop-in manner</p> <p>GGI Employees</p>	No set budget, however it is estimated that over \$2,000,000-\$5,000,000 expended annually
2005-2006	Aranka Road to Kingston	Road was developed that assisted artisanal miners and GGI Employees	<p>Aranka & Kingston artisanal miners</p> <p>GGI Employees</p>	\$650,000
2006	Aranka Water Well	Dug a well that provided safe drinking water for the members in that community	<p>Aranka Community</p> <p>GGI Employees</p>	\$3, 200,000
March 2006	Meeting with St. Cuthbert's Mission Spouses of GGI Employees	There was a lot of concern within the community about the active involvement and role in the spouses of the GGI employers, in ensuring that	St. Cuthbert's Mission 70-80 people	\$40,000

Date	Project Name	Project Description	Community/Individuals Benefitted	Approximate Budget (Guy\$)
		their wages were properly managed as well as educated about the conditions of their work		
2006-2007	Itabali Children Playground	Establishment of a playground for the children. The school has 160-180 students mainly of Amerindian descent.	Itabali 160-180 people	\$445,000
2006-2008	Alternative Electricity in Itabali	Large generator was utilized to provide power to GGI headquarters and several nearby residents.	30 Residents and Businesses in Itabali GGI Employees	Approximately \$3,200,000 Annually
2007	National Library Development	Donation to assist with maintenance of the National Library.	Guyanese Residents Nationally	\$200,000
August 2006- August Ongoing	Freedom Day	Donation to assist with the National Holiday that acknowledges when slavery and indentureship were abolished	40,000-50,000 people nationally tend to come out to this event, it is also televised nationally	\$300,000 Annually
2007- Ongoing	Itabali Children Education and Recreation Programmes	i) Holiday party held every year in December where gifts and food are provided ii) Development of Library for the	Itabali i) 100-120 people ii) 120-150 people iii) 30-55 children	\$120,000 \$1,000,000 \$15,000/monthly

Date	Project Name	Project Description	Community/Individuals Benefitted	Approximate Budget (Guy\$)
		<p>community</p> <p>iii) Provision of footwear, clothes and school supplies regularly</p> <p>iii) Organized soccer and cricket matches with neighbouring village teams</p> <p>iv) Provision of potable drinking water, everyday</p>	<p>iii) 80-120 people</p> <p>iv) 100-120 people</p>	<p>\$50,000</p> <p>\$2000/weekly</p>
March 2007	Kurutuku Medical Outreach	A medical outreach trip was made to this remote Amerindian village and the entire village was afforded medical services	Kurutuku (70-80 people)	\$200,000
March-November 2007	Dance Alive HIV/AIDS Educational TV programming.	Donation to a National TV educational programme shown on 3 channels. It used the art of dance to educate the nation on the issue of HIV and AIDS.	All of the regions in Guyana with access to national TV programming.	\$200,000
September 2007-September 2008	Dance Alive HIV/AIDS Educational Programme	Supported an HIV/AIDS educational programme in the Anna Regina area that provided several recreational and educational activities. As well as	100 children	\$200,000

Date	Project Name	Project Description	Community/Individuals Benefitted	Approximate Budget (Guy\$)
		provided full square meals		
July 2008	GHARP Miners & Loggers HIV/AIDS Awareness Initiative. GHARP is based on the USA PREPFAR program.	This USAID funded project ran a 3-day peer education program at the Aurora mine for all of the employees on-site. HIV/AIDS counseling and educational services were provided as well as on-site HIV/AIDS testing for those employees that were interested.	45-60 Employees	\$80,000
March 2008-Present	Bartica Commemoration Monument	A monument erected to commemorate the vicious massacre that took place in Bartica on February 17 th 2008	The Bartica and National Community	No set budget as yet, estimated it may cost anywhere from \$4,000,000-\$6,000,000 to erect

Guyana Goldfields has been investing in community development projects since the inception of the Aurora project in 2000. However due to the project itself being in an exploration phase, most of these projects were short term and geared towards charitable or philanthropic causes. Increasingly it is widely accepted that companies need to gear their community investment in promoting projects that are sustainable and aimed at capacity building of the communities rather than providing short term benefits.

This Community Development plan therefore presents recommendations on strategic community investment as well as an articulation of the process and possible development interventions that Guyana Goldfields may follow going forward on the Aurora project.

This Community Development Plan seeks to comply with international best practice regarding private sector involvement in community development in the mining sector. Resources such as the Community Development Toolkit (World Bank/International Council on Mining and Metals), IFC Performance Standards and the IFC Guide to Strategic Social Investments (2009) should be consulted throughout the design and implementation of the community development initiatives described in this Plan.

2.1

FORMULATING STRATEGIES FOR COMMUNITY INVESTMENT

There are some basic principles to be kept in mind while formulating community investment. The following principles should serve as guidance for the company whenever they make an investment in a project.

- The company should prioritize sustainable development i.e. invest in projects that are self sustaining beyond the life of the project and after a certain time independent of the company resources/funding
- The projects should have participation, support and consent of the communities or beneficiaries
- Rural appraisal studies like 'needs assessment' should be carried out to select what projects to invest in. This is a highly skilled exercise which should be carried out by a trained social scientists (preferably the CROs as presented in the Social Management Plan)
- The community projects should be aimed at capacity building of the communities e.g. instead of building schools or hospitals the projects should aim at creating capable teachers, doctors or promote better health conditions
- Skill building of the communities should be done i.e. instead of providing direct jobs that are temporary the company can provide training on skills like welding, carpentry etc. that will empower the communities to seek jobs elsewhere

- Promote projects that have participation and partnership of other institutions like NGOs and regional government departments. The company should not replace governance or become the sole developmental agency in the area rather it should be a conduit for dialogue between all institutions and the communities
- Wherever possible dovetail with existing government or NGO run developmental projects. This will ensure that the company does not become direct implementers of community projects rather it enables capable institutions to do their projects better
- Consider projects that truly bring economic development for the communities like microfinance or promotion of small or medium sector industries. The company will need to consult with experts who work in the field of rural development and capable NGOs in order to be able to promote such projects
- The community projects should be aimed at capacity building of the communities and should not focus only on services (water, electricity, schools, health care), but also on income earning activities (logging, artisanal and small-scale gold mining, transport, tourism etc.) provided participants are willing to be trained to develop legal, safe and sustainable working method
- Though external support may be needed, community members and beneficiaries should be involved in all phases of projects, including planning, development, fund raising, execution and management after completion
- The company should make a Community Investment Schedule and plan which based on the stakeholder engagement process can provide a yearly target for total funds to be invested and the projects to be chosen
- Open tenders and proposals should be invited from NGOs or other organizations once certain developmental areas have been chosen for the community projects

2.2

USING THE SEIA STUDIES TO INFORM INVESTMENT DECISIONS

The SEIA studies have formulated a thorough baseline of all the communities, localities and villages that fall in the project zone of influence. In each of these locations the specific needs and concerns of the people have been highlighted. The needs and concerns expressed in each habitat vary from health issues like Malaria (lack of medical help) to need for employment. Guyana Goldfields should use the information presented in the SEIA report as a first level data to inform investment decisions. Community consultations during the SEIA are focused on project based impacts and identification of the first level of community needs. However, long term development projects should look beyond impact management and aim at sustainability and long term growth of an area.

Moving forward the findings of the SEIA studies should be discussed in detail particularly with the targeted communities to verify the sanctity of these investments or the real benefits perceived or otherwise to them.

2.3

PARTICIPATORY PROCESS TO SELECT COMMUNITY PROJECTS

A participatory process should be followed when selecting the final community projects to be invested in. This process should involve all stakeholders like the Government, NGOs, civil society organizations and the communities who are the likely beneficiaries of such investments. Having a multi-stakeholder approach ensures that all parties can talk about the objectives and outcomes of community development projects on the same platform and this achieves a system of checks and balances whereby no one party's agenda can influence the decisions.

2.3.1

Stakeholder Engagement

A stakeholder engagement plan (Part C) has already been prepared. Although this plan is geared towards the front end of the engagement process, the basic tenets and methods remain the same. Guyana Goldfields should cement the relationships formulated with various stakeholders and then focus on seeking inputs into meaningful community development projects. Particularly when it comes to communities the CROs should be the face of the company. These CROs should engage with formal and informal leaders, sub sections of the communities like women, youth and elderly to gain their inputs on what are the needs for development and how the company may assist the communities.

In villages like Kurutuku, Guyana Goldfields has already begun the process of engagement and some of the developmental needs of this village like education, health etc. has already been recognized. The company needs to channel this engagement and guide it towards capacity building initiatives as opposed to being direct donors or building infrastructure.

In parallel the need for involving NGOs or developmental organizations is critical. As these organizations already work in rural development and may be involved in promoting projects in the interiors partnerships with them can be very beneficial. In that way such organizations can serve as implementation units while the company provides the funds and overall management support. This will ensure that the strengths of each partner are maximized.

2.3.2

Using PRA Techniques to understand Developmental Needs

Participatory Rural Appraisal (PRA) techniques are very useful when working with communities particularly those that are remote and located in underdeveloped areas. These are specialized exercises that skilled social scientists should carry out. There is a host of material available on the public domain especially the World Bank and IFC website to guide the use of these tools. The CROs and other staff of the Community relations team should use PRA techniques to conduct consultations with target communities when it comes to selecting projects or making investment decisions.

When it comes to development investments it's important to make a community understand what they need as opposed to what they immediately want. For example when the real need may be to have a Doctor or medical

assistance communities often want big hospitals hence focusing on the infrastructure aspect without realising that the main problem is that Doctors often do not want to come and work in remote areas. Exercises like Participatory Needs and Opportunity Assessment (PNOA) help communities understand these nuances and really define what they need as opposed to what they instant want. The PNOA tool enables companies to consult beneficiaries in the detailed design of community development initiatives. This is a critical tool for building local buy-in to community development programs and for developing awareness programs.

In short, the PNOA is designed to:

- To facilitate community decision making about community development interventions
- To develop appropriate solutions and/or interventions to address the identified problems and opportunities for improving communities' lives
- To improve stakeholder buy-in of the delivery process and manage expectations of beneficiaries
- To help inform community development initiative design so that companies invest in meaningful projects which will be appreciated and relevant in local communities, represent a partnership effort and be sustainable.

ERM has authored several toolkits and manuals that show PNOA techniques which are available on public websites.

This link may be used to refer the PNOA tool. The Community Relations staff should be trained in PRA techniques if necessary.

<http://commdev.org/content/document/detail/1801/>

2.4 RECOMMENDATIONS FOR COMMUNITY DEVELOPMENT PROJECTS OR INITIAL INVESTMENTS

In this section certain recommendations are presented based on the SEIA studies. These can be used as a starting point for the company to initiate dialogue with stakeholders or begin the process of strategic investments.

2.4.1 *Investing in Projects for ASM miners*

In the Artisanal Mining Management Plan (Part A) development projects targeted towards artisanal or small scale miners have been highlighted. Particularly *section 2.2.7* of the plan lists out the possible interventions or initiatives that the company can invest in. Please refer this section to see the list of recommended projects.

2.4.2 *Setting up of a Technical Training Institute*

Guyana does have skilled workers who have experience in gold mining. This is primarily owing to historical mining activities and projects like Omai.

However underground mining is a new technique and skill for Guyana as a country. The Aurora project will require underground mining during operations. Eventually the company may find there is a shortage of skills and trained personnel who can do underground mining.

The setting up of a technical training institute typically serves a twofold purpose; to enhance capacities of the local communities/workforce and provide a resource pool which the company can tap into through the project lifecycle and various skill needs. Any such technical training institute funded by the company should have training and capacity building targeted towards underground mining, welding, fitting, electrical work, plumbing etc. if the company should set up any such institute careful planning is required and partnerships should be built with NGOs, Regional Governments and Academic/Technical training institutions. In-depth consultations need to be carried out with various stakeholders regarding the location and planning of the institute. For example setting this up at Georgetown or a more interior location would shift the beneficiary pool from one part of the country to another. Every effort should be made to start constructive dialogues about the feasibility and then possible location of such an institute which should have general consensus of the communities in the project zone of influence, the local governments and NGO groups.

The administration and organization of such an institute should be constituted as a semi-independent agency which should seek funding from Guyana Goldfields, the National Government and other donors.

2.4.3

Other Initiatives

The SEIA consultations revealed that the interior areas have a range of issues and developmental needs. Primary amongst them are:

- High unemployment, especially among young people;
- Absence of technical training facilities for youths and limited opportunities;
- Poor health care system;
- Poor water supply;
- Land erosion and destruction of forests and vegetation;
- Drug and alcohol abuse;
- High prevalence of malaria among residents;
- A high incidence of diarrhoea and typhoid due to unsanitary conditions and the domestic use of contaminated water from nearby rivers;
- More focus desired on the primary school by the Ministry of Education, due to lack of teachers, overcrowding, and inadequate teaching quarters

The company may design projects or target any of the above issues as an initial focus of the investments. This can range from awareness campaigns, capacity building to funding of certain infrastructure needs.