Recommendations to Improve Local Governance through MINING CERTIFICATIONS

Contents

Disclaimer

This recommendations document has been developed by the "Access to information from mine site certifications" Working Group. In alphabetical order, the Group is composed of: the General Director for Latin America of INSUCO, Guillen Calvo; the Vice President of the Peruvian organization Derecho, Medio Ambiente y Recursos Naturales (DAR), Vanessa Cueto; the Deputy Director of CooperAcción (Peru), César Flores; the Ford Foundation´s former Program Officer and currently Senior Director of Programs of the Natural Resource Governance Institute, Ana Carolina González; the Peruvian expert Luis Miguel Inchaustegui; the Coordinator of the Mining Program for Solidaridad, Jhonatan Jaramillo; the Executive Director of Fundación Directorio Legislativo, Noel Alonso Murray; the former Coordinator of Social Inclusion Program for Fundación Foro por Colombia, Central Region chapter and current Senior Officer for Latin America Natural Resource Governance Institute, Juliana Peña; the professor at Universidad Andina Simón Bolívar (Ecuador), William Sacher; the analyst of the Jubileo Foundation (Bolivia), Sandra Sánchez; the former Director for Business and Human Rights of the Ideas para la Paz Foundation (Colombia), Nataly Sarmiento; the researcher of Terram Foundation (Chile), Telye Yurisch; and the researcher of the Centro de Estudios para el Desarrollo Laboral y Agrario (CEDLA) in Bolivia, Alfredo Zaconeta.

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The members of the working group have participated in the sessions and development of the recommendations in personal capacity. These recommendations do not represent the opinions of the institutions where they work or those of the organizers.

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Executive Summary

A Working Group on "Access to information from mine site certifications" composed of experts from civil society has reviewed the most relevant mineral certification schemes that assess mine sites in the Andean region. The result of the two-year review and consultation is this recommendations document. It aims to make mineral certification schemes more useful for local stakeholders. Ten recommendations are provided that may strengthen processes and broaden the scope of certifications by including information that is deemed of interest to civil society and mining impacted communities.

Currently, mining certifications and their potential benefits at the local level are little known by civil society organizations and communities in the Andean region. However, these processes provide great potential to offer a transparent and clear framework on how mining projects work, while encouraging more companies to adhere to higher standards, which these certifications promote. Thus, the certifications have the potential to reduce distrust amongst stakeholders. For this to occur, certification mechanisms and the publication of results could be designed to cater for local stakeholders apart from the current emphasized audience of investors and buyers that are interested in identifying mine sites with best practices. Information that may be of interest to local stakeholders is oftentimes missing and the aggregation of the results make it difficult to assess local impacts.

To address these concerns, this document outlines criteria that, in the opinion of the Working Group, could be included in the audit processes and published at a disaggregated level. These are divided into the following four categories: social and community relationships, economic data and taxes, democracy and human rights, and environmental protection. Some of these criteria are already included in some of the reviewed certification schemes. Others are not. Unlike the periodicity of the audits, the disclosure of priority information to local stakeholders should be at a more regular interval. This could be one of the certification requirements. To serve local audiences, the language and format of the results would also need to be adapted from the current English-language pdf audit summaries that are uploaded on the websites of the respective certification schemes.

Emphasis could be placed on increasing transparency in the event of non-compliance of the standard. The reasons for non- or partial compliance, as well as improvement plans the companies propose could be detailed. This would help local stakeholders understand gaps, measure the evolution of compliance over time and hold companies accountable. More contextual information and impacts on the territories would help in the understanding how mining activities impact on people's livelihoods.

It is also recommended for certifications to include perceptions of business actions and put more emphasis on community relationships by promoting dialogue tables with broad participation. The publication of information in these dialogues has the potential to enable participatory processes. These should be continuous and representative to generate trust and strengthen local governance. The follow-up and monitoring of commitments could go a long way in addressing mining-related social conflicts in the Andean region.

These recommendations seek to promote an informed dialogue between civil society, communities, companies, and certification schemes in the Andean region. We hope, this work will inform certification schemes as these evolve over time. We also propose to select pilot projects to test how certification schemes can contribute to promote access to information and improve local governance in mining territories.

Preface

In recent years, various certification schemes have been developed for the mining sector that audit mine sites. These include the Initiative for Responsible Mining Assurance (IRMA), The Copper Mark, the asset-level Assurance and Validation Procedure from the International Council on Mining and Metals (ICMM) and the Mining Association of Canada's Towards Sustainable Mining (TSM) initiative. These certifications form part of a broader universe of voluntary sustainability initiatives in the mining sector created in recent decades.

Mining demand is expected to boom, as technologies needed for the development of renewable energies for the global energy transition will be intensive in the use of minerals and metals such as lithium, cobalt, copper, nickel, aluminum, and other critical minerals. In this context, there is a growing demand for minerals that can be shown to have been produced responsibly. On the one hand, investors seek guarantees that investing in such operations will not only be profitable but also responsible, while mineral buyers (such as the automotive industry) demand higher and better standards in the supply chains of the products they purchase. This complements human rights due diligence regulations in importing countries, which are leading to stricter rules regarding environmental and human rights standards in their supply chains, which include minerals.

The Andean region is rich in mineral resources. However, mining takes place in a context in which communities in many mining territories no longer expect that mineral wealth will contribute to sustainable development. There is significant mistrust between different stakeholders. Communities oftentimes distrust governments, companies, and regulatory entities. This has created an environment that is not conducive to dialogue. As a result, mining in the Andean region is characterized by high levels of conflict. In many cases, dialogue tables have been used in a transactional manner and as a reactive tool to manage conflicts. As a result, dialogue tables have lost their value and legitimacy over time, especially in the face of non-compliance with the agreements reached in these spaces.

Mine site-level certification schemes may help promote sustainability standards that go beyond national legal frameworks. Issues that are relevant to the Andean region are included such as the right to free, prior, and informed consent of indigenous peoples, "human rights due diligence and environmental impact management. Complying with certification schemes may give a mining company credibility to its operations and be categorized as responsible or compliant with internationally recognized sustainability standards".

At the local level, mine site-level certifications have the potential to add a neutral third-party perspective to mining governance issues. By local mining governance, we refer to the process of coordinating and making decisions related to mining investments and the management of the different impacts (political, fiscal, and social, among others) that it generates in a specific territory. During the audit and verification process of the certification schemes, companies generate information that may be used locally to better understand potential impacts of mining projects in the territory, as well as information regarding mitigation and remediation strategies. These potential impacts, which have grown in importance given the focus on issues such as the global fight against climate change (including its mitigation), the promotion of circular economy, and the protection of human rights, may extend beyond the mining project's direct area of influence and can have consequences on the wider territory. By sharing this information collected for investors and strategic allies with local stakeholders (communities, academia, and local/regional governments) can help to create and rebuild trust between stakeholders and promote a more assertive role for mining projects in their contribution to territorial development.

Currently, much of the information that companies collect and generate through the certification process is not made available in accessible formats to communities and other local stakeholders. Certification schemes could be designed in a way to not only serve international audiences, but also explore mechanisms that allow communities access and use this information. This could increase demand for mining companies to join certification schemes from civil society and local actors.

Sharing information from the certification schemes could also contribute to dialogue and participation processes, thereby strengthen local governance. To achieve this, it is necessary to broaden the spectrum of stakeholders involved in the process and that benefit from the certification results. Alliances could include communities, regional governments, universities, and non-governmental organizations. Such information sharing would have to be complemented by capacity building initiatives for these actors to better understand potential impacts of mining projects and how these can be mitigated. In turn, these participatory processes could help mining companies prioritize improvement plans.

This document, developed and validated by the "Access to information from mine site certifications" Working Group, analyzes the potential for mine site-level certifications to contribute to the publication, use and appropriation of information and, consequently, strengthen effective dialogue and participation in mining territories in the Andean region. Throughout this review, the Working Group recognizes that the certifications are focused on the audit and verification of business practices at the mine site level and that impacts of other relevant activities around the mine site exceeds their scope. In other words, certifications are not tools to publish information managed by government agencies, such as the spending of taxes paid by mining companies. Furthermore, the Working Group is aware that certification schemes cannot require companies to publish information, which is classified according to the domestic laws. We do believe, however, that certification schemes can encourage companies to implement best practices and publish information that are beyond the legal minimums of the countries in which they operate. The Working Group believes that strengthening the local use of the information derived from certification schemes could make the certification exercise more robust, give greater credibility to their work and processes, and help strengthen local governance.

Introduction

The "Access to information from mine site certifications" Working Group (hereinafter WG), supported and coordinated by the Regional Cooperation for the Sustainable Management of Mining Resources in Andean Countries Program (MinSus), implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH and Germany's Federal Institute for Geosciences and Natural Resources (BGR), and the Natural Resource Governance Institute (NRGI), was formed with the aim of generating a constructive dialogue between civil society organizations and mine site-level certification schemes regarding access to and use of information derived from their audit and verification processes. This group met periodically to analyze a select number of mining certification schemes and propose recommendations that aim to strengthen the certification processes, as well as expanding the scope by including information deemed important for local actors in the Andean region.

This document systematizes what was discussed by the WG and makes recommendations to certifications with examples that illustrate opportunities for improvement. It is important to note that these examples do not seek to promote the companies mentioned and are only indicative of a specific practice. The dialogue within the WG was complemented with interviews with the certification schemes deemed most relevant for the region. Experts were also consulted to help identify opportunities.

The review and conversations carried out in the WG focused on Copper Mark, the site-level assurance and validation process of ICMM, IRMA and TSM. Together, these initiatives have certified or are in the process of certifying approximately 200 mining operations in the Andean region over the coming years. Some of these operations are or will be audited by more than one certification scheme. In the remainder of this document, we will refer to these initiatives, standards and audits that certify projects at site level as 'certifications'. Prior doing so, here is a brief description of the four certification schemes reviewed by the WG:

The Copper Mark

This is an assurance framework for the copper value chain that seeks to encourage responsible production practices at site level. This verification framework is based on a criteria guide on 32 issue areas, including for example on governance, environment, labor rights, human rights and communities. The assurance process begins with a self-assessment that is reviewed by the Copper Mark a third-party auditor, through which issues are identified for on-site verification, omitting those that have already been reviewed by a comparable verification. After obtaining these results, companies have two years to meet all the verified criteria and thus obtain the right to use the Copper Mark award. The verification results are published in a summary that includes the methods used for verification and their results (see an example of results in Chile).

Towards Sustainable Mining (TSM) Initiative

This is a sustainability program run by the Mining Association of Canada to help mining companies to manage environmental and social risks. TSM is based on a series of frameworks and protocols that define evaluation indicators on biodiversity conservation management, climate change, crisis management and communications planning, indigenous and community relationships, prevention of forced and child labor, safety and health, tailings management, water stewardship, mine closure, and responsible sourcing. Companies report their level of compliance with the indicators annually and every three years these results are reviewed by external verifiers. The results of this process are presented on the TSM website for each company, showing which results are self-reported and which are verified by third parties (see an example of a company with mines in Mexico here).

The International Council on Mining and Metals (ICMM)

ICMM is a mining industry organization that works with its 26 company members to maximize the benefits they generate for communities, reduce their negative impacts, and effectively manage relevant issues for society. ICMM's work program covers environment, social, governance and innovation. ICMM has defined a series of principles on ethical business practices, decision-making, human rights, risk management, health and safety, environmental performance, conservation of biodiversity, responsible production, social performance, and stakeholder engagement. These principles are accompanied by position statements on mining revenues, climate change, water stewardship, tailings governance, indigenous peoples, partnerships for development, mercury risk management, and protected areas. Members should meet the performance expectations defined for each principle and the commitments included in each position statement. The performance validation process begins with the development of a self-assessment for each operation (any site owned by the company which is involved in the production of saleable goods, including mine sites, smelters and refineries), after which the company should select operations for verification each year and contract third-party verification of these operations. Validation happens on a three-year cycle, with all sites required to be validated or have an updated self-assessment every three years. Each company should annually report via its website or in its sustainability report the level of compliance achieved in its operations and stipulate whether this compliance was verified by third parties. Initial site-level self-assessments should be completed by September 2022, after which the third-party validation processes will begin.

The Initiative for Responsible Mining Assurance (IRMA)

This is an independent third-party certification of industrial-scale mines of all materials, with the exception of energy materials like thermal coal and uranium. This certification is based on a standard that defines requirements around the principles of business integrity, planning for positive legacies, social responsibility, and environmental responsibility. The evaluation process begins with a self-assessment of each site, then a third-party audit is carried out to assess the level of conformity with the criteria. The self-assessment results are audited by an independent third party to grant progressive levels of achievement (IRMA Transparency or IRMA 50, 75, or 100) based on overall performance in each chapter as well as meeting 40 mandatory critical criteria. After certification, an audit cycle continues every three years, during which a mid-cycle surveillance audit is carried out after approximately 18 months on specific topics. Companies can voluntarily publish self-assessment results; however, without a third-party audit these self-assessment result cannot be associated with any claims of achievement. IRMA third-party audits culminate in a detailed public report that includes the context of the mine site, a description of the audit process, compliance scores, and comments from auditors (see an example of results in Mexico). It should be noted that during the initial phase of releasing the standard, companies can choose to delay the publication of the audit results for up to one year if they choose to implement corrective actions to improve their score.

These and other certifications seek to verify and promote the adoption of best business practices in the mining sector. Mining companies that decide to become certified display a commitment to adopt these practices in their operations, generating certainty for investors and customers. It should be noted that there are marked differences amongst the four certification schemes assessed by the WG regarding both the scope and the level of requirement needed to achieve compliance. As such investors, buyers and local actors should review and compare the certification schemes with utmost care before deciding which one to support. However, for the purpose of this exercise, with recommendations aimed at having the broadest possible impact, an engagement with the four most important certification schemes for the Andean region has been chosen.

The following sections present the results of the WG's dialogue, and the recommendations directed at mining certifications. The first section sets out the topics that, in the WG's opinion, should be included as criteria to be evaluated in the verification and audit process given the context and needs of the Andean region. The second section proposes recommendations regarding the availability and quality of information. The third section provides recommendations regarding the use of information to promote better local governance, before concluding in the last section.

Priority issues in the Andean region

Given the context specificities of the Andean region, the WG identified priority issues that could be included in the certification processes and subsequently be published. These parameters, indicators and criteria are not exhaustive and other topics may be relevant in specific territories. Some of these topics are already part of the reviewed certifications. Others are not. Therefore, the WG has outlined a broad set of priority information that would be useful for local actors to have access to promote good governance at the local level.

Topic	Subtopic	Prioritized information to be audited and verified	Ways to publish the information
Social and community relationships	Complaint and grievance mechanisms	▪ Existence of an operating complaint and grievance mechanism ▪ Existence of multiple access channels and spaces for disseminating the mechanism to communities: radio, billboards, offices, and website, among others ▪ Existence of a protocol and a standardized tool for monitoring the number of complaints registered per year, the main issues addressed, and the number of complaints resolved ▪ Existence of a protocol for managing and monitoring complaints ▪ Demonstrated evidence that the company protects complainants' anonymity and includes the criteria for UNGP's Principle 31 in the mechanism, adapted to the context of the mine	▪ Periodic report with main metrices ▪ Socialization of the results through various means and channels ▪ Action and improvement plans based on the main trends of identified grievances
	Agreements and commitments	▪ Existence of a tool for registering, monitoring, and following up on agreements with communities and other key stakeholders ▪ Existence of a protocol for implementing, tracing, and monitoring these agreements	▪ Minutes of the agreements reached ▪ Stakeholders involved in the agreements, except in cases where this is not possible for security reasons, or because the stakeholders involved do not want this information to be public ▪ Temporality of the agreements ▪ Monitoring mechanisms for the agreements implemented by the company ▪ Company's degree of compliance with the agreements reached each year
	Dialogue and engagement	Existence of a monitoring system that makes it possible to document spaces for dialogue and citizen engagement	Online file with the number of dialogues that were held (reports of meetings and workshops), including the number and type of participants together with the objectives, results, and commitments of the meetings
	Community perception	Existence of regular monitoring and collection of local stakeholders' perception of the mining project and priority issues identified by communities	▪ Periodic summary publication of results that allow comparison over time and show changes in the variables that had lower scores

Topic	Subtopic	Prioritized information to be audited and verified	Ways to publish the information
Economic data and taxes	Payments to the State and communities	▪ Existence of a record of payments and direct voluntary and obligatory contributions by the company to the communities ▪ Existence of a disaggregated record of fiscal contributions at the regional and national level ▪ Existence of a record of economic benefits and tax exemptions the company receives	Periodic and disaggregated report by type of payment and at the level of operation that is publicly accessible
	Information on production and marketing	▪ Existence of a record of: ▪ Production volumes of main commodity and other minerals recovered ▪ Production costs and administrative expenses ▪ Sale prices ▪ End customers	Online system and periodic analysis reports
	Mine closure	Existence of a technical plan and financial guarantees for the mine closure and future monitoring obligations	▪ Document and summary of the plan published and socialized ▪ Publication of plan updates in line with changes in the mine site
	Economic linkages	▪ Existence of a policy to promote local suppliers ▪ Existence of a system for recording expenditure on local purchases (differentiated by local, national, and foreign)	▪ Linkages policy ▪ Supplier registration document

Topic	Subtopic	Prioritized information to be audited and verified	Ways to publish the information
Democracy and Human Rights	Civic space	▪ Existence of company security policies ▪ Existence of agreements/contracts with public and private security forces ▪ Existence of business strategies to prevent stigmatization and persecution of local stakeholders and media outlets ▪ Existence of strategies that promote free expression by local stakeholders and the media	▪ Document and summary of the policy ▪ Document and contract sheet with relevant information ▪ Document on strategies for prevention and stigmatization ▪ Document of strategies for the promotion of free expression
	Gender equity	▪ Existence of internal labor policies with a comprehensive gender approach aimed at overcoming barriers derived from traditional gender roles ▪ Existence of community relations and engagement policies that promote gender equity and equal participation, in a culturally appropriate manner ▪ Existence of policies to promote violence-free workplaces for women ▪ Sex-disaggregated data (including on labor data, wages, and participation in capacity building programs)	▪ Policies and executive summary ▪ Publication on the website and printed version
	Labor rights	▪ Existence of a labor policy that will ensure contractual conditions, decent working hours and freedom of association ▪ Existence of a record of workers´ perceptions on the implementation of the policy and the assurance of their labor rights ▪ Existence of a grievance mechanism for workers that will ensure anonymity and remediation if any violation is proven	▪ Publication of the number of labor complaints filed and the main complaints/grievances. ▪ Summary of results collected by an impartial third party
	Human Rights	▪ Demonstrated adherence to OECD due diligence standards and the Guiding Principles on Business and Human Rights, ILO standards and other related standards ▪ Demonstrated existence of a regularly updated stakeholder map ▪ Registration, monitoring, and collection of local stakeholders' perception (especially of most vulnerable populations) on the development and compliance with due diligence and respect for human rights ▪ Existence of a constant collection, storage, and monitoring of social variables for local population (domestic violence, alcoholism, prostitution, crime, among others) ▪ Demonstrated use of social management tools (especially trends and metrics collected by the operating complaint mechanism) that feeds the company's due diligence process ▪ Demonstrated development and regular updating of the company's due diligence process ▪ Existence of action and mitigation plans for the main identified human rights risks	▪ Summary of results collected by an impartial third party ▪ Initial status and monitoring reports ▪ Publication of the aggregate due diligence analysis
	Free, Prior, and Informed Consent of Indigenous and Tribal Peoples	▪ Existence of a prior consultation protocol that will establish steps and procedures ▪ Existence of a tool that will monitor the prior consultation process and the spaces for constant dialogue with the indigenous populations ▪ Demonstrated obtention of prior, free, and informed consent of indigenous peoples	▪ Full document and summary ▪ Publication of agreements with indigenous and tribal communities ▪ Publication of actions developed by the company to comply with the agreements

Topic	Subtopic	Prioritized information to be audited and verified	Ways to publish the information
Environmental protection	Environmental management of the operation	Existence of a water policy that includes: ▪ water sources ▪ amount of water consumed ▪ rate of recirculation, treatment, volumes, and quality of discharges	Document including policy and continuous monitoring system
		▪ Existence of a waste management policy and system, including types and amounts of waste generated, its treatment and disposal ▪ Existence of a tailing management policy, including preventive and corrective measures in the face of environmental risk	Online system and periodic reports on the analysis of relevant indicators including, if applicable, trends, graphs, and warning signs
		▪ Existence of a policy for the prevention, mitigation, and compensation of air emissions (local and global pollutants)	Online system and periodic analysis reports on relevant indicators
		▪ Existence of an energy efficiency policy and measurements that include energy sources, consumption, and efficiency mechanisms	Online system and periodic analysis reports on relevant indicators
	Socio-environmental baseline	▪ Existence of the collection of the initial state of water, air and soil and biodiversity ▪ Health conditions of the population on potentially correlated diseases (respiratory, dermatological, among others)	▪ Full document and summary ▪ Baseline document
	Environmental monitoring	▪ Existence of a monitoring system for water, air and soil quality and biodiversity ▪ Existence of a monitoring of health conditions of the population at the baseline ▪ Existence of mechanisms that promote instruments, financing, and training for independent community monitoring	▪ Online monitoring system and periodic reports on the analysis of relevant indicators, including, if applicable, trends, graphs, and warning signs ▪ Supporting documents that show the provision of instruments and training for community monitors
	Environmental emergencies and incidents	▪ Existence of plans for preventive, corrective, and contingency measures ▪ Existence of an alert system for potentially affected communities	▪ Document and summary published and socialized ▪ Familiarize and train local stakeholders in environmental emergency cases

RECOMMENDATION 1:

Include priority issues for the Andean region and publish the audited information. The information outlined in the table above should be considered in the certification processes. Furthermore, these issues could be complemented with requirements identified by the mining impacted communities. During the introduction and initial explanation of the certification process, communities should be consulted if there are additional priorities that could be considered in the audit and verification processes.

Below are three examples that showcase some of the points outlined in the table above. The first is related to priority information for local stakeholders. The latter two on the collection of perception information.

EXAMPLES TO CONSIDER:

Example of information prioritization:

- The Responsible Mining Foundation's mine assessment tool can be used as a starting point to enter into an informed dialogue amongst communities, workers, local government, and others who wish to engage constructively. The list of topics covered is not exhaustive but covers some of the priority question of relevant to local actors around most mining projects. Local stakeholders can follow a similar approach to address other mining-related issues of interest. This tool has been used in several countries and best practices can be found here.

Examples of perception:

- In relation to the collection of perception information by companies, one example is the perception surveys launched by Yamana Gold in the communities surrounding its operations in Latin America. The company complements them with quarterly surveys, through SMS and telephone interviews to understand and manage its community relations. Likewise, Rio Tinto conducts surveys that track community perceptions of the company and its investment programs. Participants share their views on the company's activities through a series of short monthly online surveys, which are collected and analyzed to inform their decision-making processes.
- The Resource Impact Dashboard is a platform that collects and visualizes a wide range of data from household surveys, public sources, and mining companies, and presents indicators based on socioeconomic development, public perception, and environmental risks, allowing stakeholders to monitor the impact of resource extraction on local development.

Availability and quality of information

The way in which the results are published varies between the certifications reviewed. For example, on the one hand, IRMA includes in its audit report a brief background on the audited mine. On the other hand, TSM publishes a summary of the company's performance and the level of compliance in each of the operations indicating a score if they meet certain criteria. Certifications commonly report the results via their websites and companies can include them in their sustainability reports.

We consider that the published data should be:

- **Timely:** the data published must be recent to ensure its relevance and allow stakeholders interested in decision-making processes to be regularly informed.
- **Complete:** include data on the relevant topics prioritized by stakeholders in complete, summarized, and disaggregated versions.
- **Accurate:** ensure that the information is free of errors.
- **Comparable:** allow the development of inter-mine analyses by using constant or comparable measures and incorporate additional information, or metadata, in order to make sense of the data.
- **Interoperable:** ensure that the way information is published can be integrated with other relevant databases.

EXAMPLE TO KEEP IN MIND:

The open data criteria developed by the International Open Data Charter are a good source to consult when deciding on the requirements and publication of information by companies in the certification processes. The principles seek to facilitate access and exchange of information by providing specific guidelines on data standardization, publication processes, and promotion of information use dynamics. These principles have been developed for various topics including climate change (see the Open Up Climate Data Guide and Climate Change Open Data Formats), land governance, and anti-corruption (see the Open Up Corruption Data Guide and the Corruption Open Data Formats). It is important to note that these guides take into consideration restrictions on publishing information that may arise from legislation and the need to protect the privacy of the stakeholders involved.

In the remained of this section we will outline potential areas of improvement for certification schemes according to the above listed considerations.

Language and format

Accessibility

Periodicity

Contextual information

2.1. Language and format

The results summary reports of the audits include technical and administrative terms that require a deep knowledge of the sector. An example of this is the use of acronyms without indicating their meaning, internal denominations of types of reports and policies, and references to documents and reports as cause for non-compliance.

The language used by the certification schemes is foreign to local stakeholders, as the objective audience is international with focus on investors and buyers. The main means of communication are the websites. Although these portals are easy to use and present information in a way that prioritizes the criteria, commitments and evaluation methodologies, the language and format used is not for local stakeholders.

RECOMMENDATION 2:

Develop verification report formats that cater to different audiences.

Additional efforts are required to reduce the level and technical language used in these instruments and information to make them more understandable to local stakeholders. Presenting summarized versions, graphs that show trends and analytical assessments, could contribute significantly towards this objective. In addition, it is essential to develop disclosure strategies using different media, languages and channels tailored to local audiences.

EXAMPLE TO CONSIDER:

An example in identifying the needs of audiences is the user-needs-based approaches which are employed to promote the use of public data. This guide to tactical data engagement systematizes an approach implemented in different cities in the United States to understand key stakeholder needs and generate differentiated strategies and products to improve the publication and presentation of information, so that it meets the needs of different audiences.

2.2. Accessibility

Certifications highlight results, but do not include the information that was reviewed to reach that conclusion. For example, a certification might highlight that the mining project has a grievance mechanism, but there is no link to the mechanism or to the documentation that explains how it works.

RECOMMENDATION 3:

Include links to supporting information submitted by companies in audits.

Backup information is particularly important when the maximum score is not obtained. The summaries of the audit and verification reports are mainly administrative in nature and focus on compliance with the indicators and criteria required by the certifications. In some cases, they include general notes from the auditors.

RECOMMENDATION 4:

Facilitate access to the information that supports the score and the degree of compliance obtained in cases where the maximum requirement is not met.

More detail could be given when a company does not comply with a certification requirement or a criteria that is highly relevant to local stakeholders. For example, it is not enough to know whether a company has a community engagement strategy. The community needs to know what the strategy is and what opportunities it does or does not provide for dialogue, effective participation, and incidence in decision-making.

EXAMPLES TO CONSIDER:

There are various international assessment processes, mainly from governments, which include in their results links to public information that government agencies already have made available. With this, links to the complete answers on different indicators are made available to those who are interested, including the sources used to validate compliance. Examples of this practice are:

- The Open Data Barometer for Latin America, which presents a summary of the results of the countries, results for each country and access to data with the sources that support the allocation of scores (here is the data for the 24 countries with sources for each indicator).
- The Resource Governance Index, led by the Natural Resource Governance Institute, presents a results report, results for each country, and links to the sources used to validate each indicator in each country, both in its library of sources and in its database.

These examples provide possibilities to improve how results of self-assessments and verifications carried out by the certifications are published. In many cases, the indicators used require companies to make different types of information public. Sometimes companies may publish highly relevant information, but it can be difficult to find or identify if the information is current or relevant.

Examples of information that could be linked to verification reports are the human rights and due diligence reports in the cases of Vattenfall or Barrick Gold.

2.3. Periodicity

Most certifications reviewed do not specify how often the mining projects must publish information. The publication requirements of the certifications are annual, which makes it difficult to use them to monitor companies' management and understand the changes and impacts on their territories. For example, annual averaged data on water or air metrices make it difficult to assess environmental impacts, as these are only useful when monitored on a more continuous basis.

RECOMMENDATION 5:

Encourage more frequent measurement of prioritized information and ensure its publication.

It is proposed to define specific times for updating the information so that it is useful to local stakeholders. This may vary depending on the type of information, with environmental data particularly requiring more continuous monitoring.

EXAMPLES TO CONSIDER:

One example of continuous data publication is Chile's SQM (Sociedad Química y Minera) operations in the Salar de Atacama which operates an online monitoring system. It reports on water extraction, net brine extraction and the environmental monitoring carried out to evaluate and mitigate potential adverse impacts from their operation. This information is updated based on weekly measurements. While the openness of this information is commendable given the concerns around water impacts in the Salar, this information is difficult to understand for local stakeholders. Recommendations 2 and 3 presented in in this report could be considered to improve this tool.

Another practice of continuous disclosure of information to improve the governance of the territory is the process of dialogue and collective action led by the local government of Los Encuentros in Ecuador, with the participation of the Canadian mining company Lundin Gold. This process, which began in 2016 and continues to this day, is one of the most robust and resilient dialogue processes that exists in any mining territory in Latin America. With the support of the Ford Foundation and a group of local stakeholders, this process gave rise to a systematization of lessons learned from the processes of multi-stakeholder dialogue and collective action (see here).

2.4. Contextual information

More information is required to help contextualize and provide meaning to the published information so that the data and information can be understood. For example, it is necessary to contextualize data on water quantity and quality in relation to water-stressed territories and cumulative impacts. To be comparable over time, reported information must use the same measurement units and reporting times. This will allow local stakeholders to identify the evolution of the audited criteria over time, trends and help identify early warning signs.

RECOMMENDATION 6:

Present contextual information to understand the impacts of the results and its evolution over time.

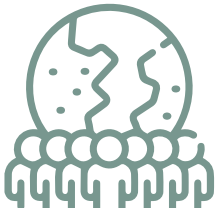
The initial conditions of the variables that will be affected by the mining project (water, air, biodiversity baselines) could be included to allow precise monitoring of changes caused by the mining project.

Using information to improve local governance

For local stakeholders to use and appropriate information generated by the certification processes, they must have to access it. Publishing the data in line with the recommendations outlined in the previous section can facilitate an informed dialogue and participation processes between local stakeholders. This may help generate trust, improve corporate practices, and strengthen the social cohesion in mining territories.

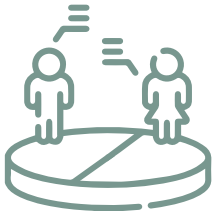
The certification process involves auditing and certifying a mine in its direct area of impact. The developmental stage of the project and the history and legacy of the relationship between the project and the wider territory where it operates is likely to have an impact on how this process is perceived by local stakeholders. This relationship could exceed the scope of the certification process. However, the WG considers that the certification process has a potential impact on the company's relationship with its territory, even more so in the Andean context where transactional relationships between stakeholders in mining territories and the existing asymmetries between the company and local stakeholders hinder the development of collective action processes based on co-responsibility. The WG therefore recognizes that it is necessary to have an expanded, multi-stakeholder and cross-sectional view of the territory, where companies assume new leadership in the articulation between global agendas and territorial transformation processes. Together with the State and other stakeholders, in which access to and effective use of information, spaces for dialogue and participation, and accountability become essential.

In the remained of this section we will outline potential areas of improvement for certification schemes according to the above listed considerations.



Dissemination

Inclusion of local stakeholders



Spaces for participation

Grievance and complaint mechanisms

It is necessary to increase the scope and relevance of good corporate practices and find innovative ways to bring the voices of local stakeholders to the certification processes. Companies should go beyond corporate social responsibility and consider their connection with the development of the territory as a central pillar of their performance. Mining companies are an essential link in articulated processes of collective efforts to develop the territory's social fabric and governance in rural areas. Companies often invest in social projects that they develop within their corporate social responsibility programs.

To promote the use of certifications to improve local governance in mining territories, it is necessary to increase the dissemination, inclusion, and participation of local stakeholders in certification processes and develop a reliable complaint mechanism for the process.

3.1. Dissemination

Certifications and the criteria they evaluate are oftentimes not known by communities and civil society organizations. Local stakeholders do not understand the benefits that certification schemes can present to them when operations undergo these processes. The certification process and the presentation of its findings offers companies a transparent and clear framework to explain how they operate to local stakeholders. Investors, mineral buyers, civil society organizations and communities have different interests and ideas about how to use published information.

RECOMMENDATION 7:

Disseminate the certification process and bring the relevance of certifications closer to local stakeholders and their interests.

Certifications could outline their benefits to local stakeholders and thereby increase demand for mining companies in the Andean region to join these schemes.

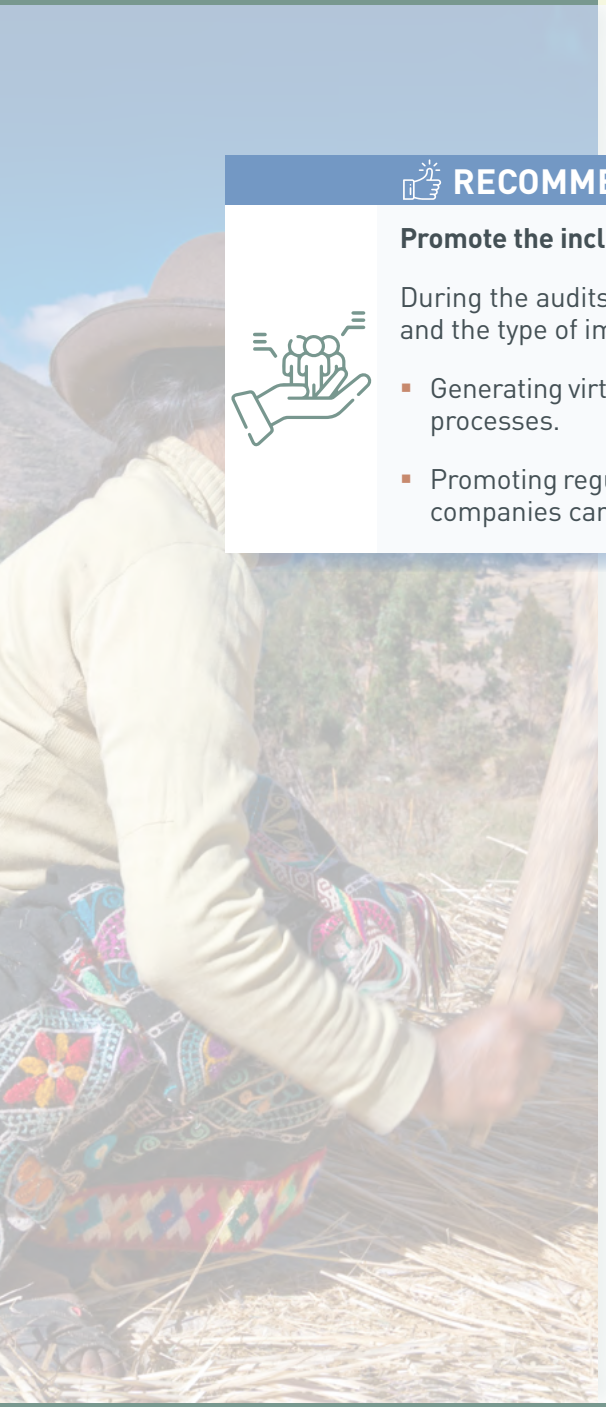
EXAMPLES TO CONSIDERT:

The difficulties that mining certifications face in being understood and valued by local communities are shared by initiatives that seek to improve governance by promoting changes in the practices of stakeholders, governments, the private sector, and civil society. This challenge has been identified by government, corporate social responsibility, and international development initiatives. Some publications that can help identify strategies and draw lessons on how to increase the relevance of global initiatives for local communities include:

- Publications by From Disclosure to Development on how to understand community priorities and improve the way information is published so that they are identified and act around the social license to operate, and in specific contexts such as in the case of Colombia and Peru.
- Exploratory research on the limits and opportunities to increase the relevance of data published by the Extractive Industries Transparency Initiative (EITI) at the local level, including the case of Colombia.

3.2. Inclusion of local stakeholders

During the certification process, auditors consult communities on the audited companies' degree of compliance with certain criteria and areas of business practices at site level. These processes often include periods in which companies can implement corrective measures to improve their score. Local stakeholders are not necessarily informed of these or involved in their implementation. This limits their ability to influence the prioritization of improvement actions, monitor their implementation, or collaborate with companies on issues that are important at a territorial level.



RECOMMENDATION 8:

Promote the inclusion and participation of local stakeholders in the audit and improvement plans.

During the audits, companies should create spaces for local stakeholders to have a voice and influence in proposals on business practices and the type of improvements. A relevant step in this direction can be given in different complementary ways:

- Generating virtual and face-to-face spaces so that communities can give their opinion on the preliminary results of the audit and verification processes.
- Promoting regular multi-stakeholder spaces for the prioritization, preparation, and monitoring of the execution of improvement plans that companies can implement to optimize their results in the audit and verification processes.

EXAMPLES TO CONSIDER:

To promote, protect, and restore areas near the mining project, the voluntary good neighbor agreement has helped build trust through public reporting of cleanup actions and job creation. The experience is limited by the fact that the agreements and activities between the community and the company are not made public.

Another example is that of making improvement plans or agreements between companies and communities transparent to the extent that the commitments assumed are fulfilled in the short, medium, or long term. This is the case of AngloAmerican-Quellaveco (in Moquegua) and its participation in the follow-up processes of commitments generated in the dialogue roundtables. These were disseminated among the population in the project's area of influence. The Secretary of Social Management and Dialogue (SGSD, for its Spanish acronym) of the Presidency of the Council of Ministers of Peru has been involved to provide reliable updated information on the agreements reached, and their degree of compliance in the dialogues.

Another example is the Open Government Alliance multi-stakeholder initiative, which, although it has other operating logics, presents draft evaluations of compliance with commitments so that citizens can provide comments or demand clarification before the final verified compliance reports are published (see more here).

3.3. Spaces for participation

Throughout this document, the importance of access to the information generated from the certification process has been mentioned to promote spaces for participation. Effective participation of local stakeholders is essential to manage and transform conflicts linked with mining activities and promote improvements in local governance and development.

Although relations between companies and communities are by nature asymmetrical, certain practices can allow communities to better understand the impacts that occur in their territory and generate dynamics of dialogue and participation with companies towards building trust, promoting collaboration, and strengthening petition and accountability in democratic spaces.

It is necessary to reflect on the existing transactional vision of conflict management and resolution, which revolves around specific dialogue spaces as the only tool for multi-stakeholder participation. The WG considers that a continuous and proactive multi-stakeholder dialogue is key to develop efficient forms of participation. This is necessary to promote new capacities among local stakeholders and facilitate access and appropriation of information, which is an indispensable condition to ensure effective participation.

RECOMMENDATION 9:

Include dialogue processes, their quality and stakeholder participation as audit criteria.

Certifications could include the monitoring and measurement of dialogue processes and participation in the verifiable criteria given the importance of this mechanism in the Andean region. It should ensure that these dialogues are continuous and multi-stakeholder. Additionally, certifications could promote the systematization and dissemination of good practices that inspire local dialogue and participatory processes. The WG understands that these are gradual processes and that some mining certifications are very recent, so the focus could currently be placed on evaluating initiatives and not just results.

EXAMPLE TO CONSIDER:

- Through the establishment of INSUCO's Observatories of Territorial Transformations, attention has been placed on issues such as community engagement, community empowerment, community infrastructure and contribution to environmental sustainability.

3.4. Grievance and complaint mechanisms

Mechanisms to access more information about the audit process should be made more accessible. Certifications have channels for filing complaints and require companies to implement their own grievance mechanisms. These mechanisms are pivotal to the company's social management strategy and for access to remediation. However, knowing about and finding these mechanisms are not always easy for local communities. Therefore, complaints are not made. It is also difficult to assess how effective these mechanisms are, in line with Principle 31 of the United Nations Guiding Principles on Business and Human Rights (UNGP).

RECOMMENDATION 10:

Strengthen access to information and grievance mechanisms.

The implementation of mechanisms for requesting information, presenting complaints and grievances should go beyond generating a channel for receiving requests. To overcome existing distrust at the local level, it is important that, at a minimum, these mechanisms meet the eight criteria contemplated in Principle 31 of the UNGPs. This requires that these mechanisms be legitimate, accessible, predictable, equitable, transparent, compatible with human rights, are a source of continuous learning, and are based on participation and dialogue.

EXAMPLES TO CONSIDER:

- What do they know is a website to help submit a freedom of information request. What Do They Know also posts and files requests and responses, creating a massive archive of information.
- One solution for channeling requests for information and disseminating responses is the Muckrock portal, used by civil society organizations to channel and deposit government documents, information on how to submit requests, and tools to facilitate the application process. The benefit of this site is that it allows users to see the responses to requests for information and thus increases confidence in the mechanism, while allowing stakeholders to make use of these documents to create reports and research analysis.
- The Institute of Access to Information of Mexico publishes monthly reports with statistics on requests received, responses given, requests for review raised and other relevant data.
- Ulula is a grievance mechanism that enables real-time, anonymous communication within supply chains by its users to reduce risk and help improve working conditions around the world. Ulula was created to foster greater transparency in global supply chains and provide practical tools to enable workers and communities to improve human rights, labor, and social impacts.

Conclusions

Certifications seek to drive positive change in the mining sector by using recognized international standards and verify these by a third party. This should incentivize improvements in business practices and performance of mine sites. This process could be leveraged to inform local stakeholders in mining regions about company practices and play an important role in improving local governance in the Andean region.

The recommendations prepared by the WG are directed at mineral certification schemes and seek to improve access to, use of, and the appropriation of priority information by local stakeholders from the certification processes. **To summarize, the ten recommendations include:**

1	Include priority issues for the Andean region and publish the audited information.
2	Develop verification report formats that cater to different audiences.
3	Include links to supporting information submitted by companies in audits.
4	Facilitate access to the information that supports the score and the degree of compliance obtained in cases where the maximum requirement is not met.
5	Encourage more frequent measurement of prioritized information and ensure its publication.
6	Present contextual information to understand the impacts of the results and its evolution over time.
7	Disseminate the certification process and bring the relevance of certifications closer to local stakeholders and their interests.
8	Promote the inclusion and participation of local stakeholders in the audit and improvement plans.
9	Include dialogue processes, their quality and stakeholder participation as audit criteria.
10	Strengthen access to information and grievance mechanisms.

Various recommendations point to the importance of developing spaces for dialogue and effective participation that should be continuous and multi-stakeholder driven. This reflects the fact that the Andean region has one of the world's highest rates of mining-related conflicts. These spaces for dialogue require a guaranteed right to access information, while ensuring the follow-up and monitoring of the commitments and proposals formulated in them.

Finally, it is important to emphasize that the spirit of these recommendations is to generate an informed dialogue between civil society organizations, communities, companies, and mine site level certification schemes operating in the Andean region. We hope, this work will inform certification schemes as these evolve over time. We also propose to select pilot projects to test how certification schemes can contribute to promote access to information and improve local governance in mining territories.