

CIRDI Advisory Council Report

Meetings held: Thursday, June 25 & Friday, June 26, 2015

CIRDI

CANADIAN
INTERNATIONAL
RESOURCES AND
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INSTITUTE

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Date of Report: August 24th, 2015

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ADVISORY COUNCIL REPORT
Second Meeting

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ADVISORY COUNCIL REPORT Second Meeting

Meeting date: Thursday, June 25, 2015; 14h00 – 18h00
Friday, June 26, 09h00 – 14h00
Location: Beedie School of Business, Simon Fraser University
500 Granville Street, Vancouver, BC Canada V6C 1W6

Introduction

This report presents a summary of discussions of the Second Advisory council meeting of the Canadian International Resources and Development Institute (CIRDI) on June 25 and 26, 2015. The Council has an advisory role to the CIRDI Board on issues that have significant impact on the accomplishment of CIRDI's mission and strategy. A list of the meeting participants is available in appendix A to this report.

Summary of Action Items

Below is a summary of action items arising from the Advisory Council meetings. Action items are reported until complete.

ACTION ITEMS				
#	ITEM	Responsible	Complete By	Status
1 – June 25	Organize next meeting in January 2016	CIRDI	November 2015	In progress
2 – June 26	Provide draft Advisory Council report to Council members	CIRDI	August 2015	In progress
3 – June 25	Revise Terms of Reference	CIRDI	August 2015	In progress
4 – 30 Jan.	Feedback sent to Council members on advice given	CIRDI	November 2015	In progress

Welcome and Introductions

The Thursday meeting was convened at 2:00 pm PDT. The Chairs of the CIRDI Board and of the Advisory Council each welcomed the participants of the meeting.

The Chair of the Advisory Council invited each of the participants of the meeting to introduce themselves.

Current Issues Relevant to CIRDI

After the initial introductions, the Chair of the Advisory Council requested each participant to express what they thought was a burning issue that they would like to discuss surrounding CIRDI's work. The issues discussed are reproduced as follows:

- Proliferation of mining transparency initiatives – what matters? Where is there value?
- Equipping communities of interest with information resulting from transparency initiatives

- Transparency as it relates to financial flows
- Balancing transparency regulations with environmental stewardship
- Implementing Indigenous consent
- Consistent company standards with regard to Indigenous peoples
- Strategic approach to pairing research and practical development aid
- The contribution of academic research to improve the extractives sector
- Issues related to private bilateral relationships between communities and companies
- Governance from the perspectives of local communities
- Leveraging mining for economic diversification
- Integrating safeguards (health, environment, etc.) into policy advice
- Coordinating and integrating across sectors (including connecting community-government-industry) and across the mining life cycle
- Pedagogy – increasing the learning capacity of individuals, but also empowering them to be conveners of constructive dialogue
- Opportunity for CIRDI to draw on lessons learned from various organizations and gain a ‘big picture’ perspective
- Developing fair and equitable practices and policies for communities, governments and companies
- Monitoring and evaluation – how to determine attribution and contribution from the various actors around resource development

Advisory Council Terms of Reference

The revised Terms of Reference (TOR) were presented to Advisory Council members in the meeting package. The following changes were suggested:

- Regarding consensus: revert to language used in original ToR, under ‘confidentiality’
- Clarify how information would be communicated and shared on the outcomes of meetings.
- Regarding resignations and mid-term appointments – remove clause linking nomination to organizations
- Consider inviting student to sit on Council
- Remove repetitive sections in document
- Specify Council Chair term of one year, with turnover in September

Discussion & Advice: CIRDI Strategic Direction / Work Plan – Presentation & Discussion

Moura Quayle, Board Chair and Interim Executive Director gave a presentation on CIRDI’s strategic direction. This presentation provided an overview of CIRDI’s recently redefined strategic direction, as well as its ongoing and upcoming work program.

Council members made a number of recommendations for adjusting the language at multiple points throughout the presentation. The following suggestions were given to help improve CIRDI’s strategic overview:

- Emphasize partnerships, the transfer of technology, knowledge dissemination and the recipients of the aid
- Maintaining and continually building relationships
- Universities' convening power and ability to transfer knowledge through multiples processes and diverse individuals
- Consider referring to both 'projects' and 'services' to distinguish CIRDI's advisory services
- Consider and clearly define the audiences in mind with the term 'stakeholders'
- Regarding priority countries: consider working in countries that may not satisfy the 5% extractives GDP criterion – this may be a way for CIRDI to demonstrate forward thinking
- Once CIRDI country strategies have been formed, consider holding a future session to discuss these strategies with the Council
- Regarding CIRDI's program themes:
 - Consider broadening theme 1 to include both 'fiscal' (i.e., tax) and 'non-fiscal' (i.e., royalties) areas
 - Adding 'enterprise development' under theme 3
 - Consider adding 'regulatory implementation and enforcement' to one or more of the themes
 - It is important to define the assumptions under which these thematic terms are used (e.g., CIRDI's specific definition of Integrated Resource Management)

The Council posed the following questions regarding CIRDI's strategic direction and work plan:

- Regarding CIRDI's request mechanism: what flexibility is there between needing letters of request and having letters of support?
- How does CIRDI plan to diversify its funding?

Stakeholder Engagement Strategy – Presentation & Discussion

David Parker, CIRDI Senior Advisor, gave a presentation on CIRDI's stakeholder engagement strategy. This presentation provided an overview of CIRDI's recently redefined strategic direction, as well as its ongoing and upcoming work program, including the CIRDI Summer Institute on Resource Governance.

The Summer Institute plans to gather 30+ participants from 18 countries in a shared learning experience around resource governance issues, including around fiscal regimes, transparency and accountability, and shared infrastructure.

Following on experiences gained through CIRDI's engagement with several delegations in the past (i.e., ILEAP¹ 2014, Mongolia Study Mission 2014, Pacific Alliance Study Tour 2015), the Summer Institute presents a valuable opportunity to engage with strategic partners and developing country governments on shared interests, which in turn will help to inform CIRDI's strategic foci.

Council members had a number of recommendations for improving CIRDI's engagement strategies:

¹ International Learning and Engagement Awards Programme 2014: Building Capacity on Integrated Resource Management and Governance. This pilot project provided a six-day learning program to strengthen strategic leadership skills need to implement sustainable and responsible mineral development for 25 mid-level decision makers, practitioners and leaders from across sectors.

- It would be useful to have some explanation of how CIRDI structures collaborative partnerships – how does CIRDI form partnerships around programming?
- Regarding strategic partners, it would be useful for CIRDI to have a spectrum for characterizing strategic partner involvement
- Recommend CIRDI begins treating contacts in developing countries as strategic partners – these individuals can be positive change agents in their home countries.
- Recommend CIRDI consider another avenue for partner engagement and information sharing, in addition to the Advisory Council: a session gathering academic partners, NGOs, consultants, companies, etc., the outcomes of which can in turn inform discussions at the next Advisory Council meeting, and CIRDI’s overall programming decisions.

CIRDI Project: Supporting Peru’s River Basin Councils to Strengthen Water Stewardship in Areas of Mining Activity – Presentation & Discussion

Andre Xavier and Mikhaela Meznaric presented an overview of a recently begun project that deals with water management in Peru. Beginning with the history of water management in Peru, the presenters went on to provide the council with the context of Peru’s recent shift to a watershed management approach. The principal strength of CIRDI’s contribution to Peru watershed management is the offering of mining expertise within the context of integrated resource management.

The council had a number of recommendations for improving the project:

- Local stakeholders will be the most difficult to bring to the dialogue – recommend partnering with groups like CARE, and IICA to help with this aspect of the project.
- Recommend including Peruvian hydropower personnel in dialogue

Close of the Thursday June 25 Session

Dinner Reception

On the evening of Thursday, June 25 CIRDI hosted a dinner reception for the Advisory Council and Executive Board members to allow both groups to meet and socialize. A short talk was also delivered by Janine Ferretti, Chief of Environmental Safeguards Unit (ESG), Inter-American Development Bank (IDB), regarding her experience in Peru.

Workshop: “Integrated Resource Management: What does it mean and how is it applied?”

In the morning on Friday, June 26th, Ian Thomson of Shinglespit Consultants Inc. facilitated a workshop on integrated resource management with the Advisory Council and CIRDI Board members.

Reflections on the Previous Day

Following the morning’s workshop, the Advisory Council reflected on the previous day’s discussion. In order to stimulate discussion, the Advisory Council Chair offered the following questions to consider:

- What assumptions do we now hold about CIRDI?
- What are the greatest challenges facing CIRDI’s strategic direction and work plan?
- How can these challenges be anticipated and overcome?
- How can partners and other stakeholders best contribute to CIRDI’s success?
- What do these insights reveal about the role of the Advisory Council?
- Do the proposed terms of reference adequately enable this role?

Throughout the discussion of these questions, a number of recommendation emerged:

- Recommend Advisory Council members be given a list of a few objectives that CIRDI hopes to accomplish in advance of the next Council meeting.
- Request CIRDI communicate its expectations of the Advisory Council, as well as the protocol for communication (i.e., feedback process), including around further developments to CIRDI’s strategic direction.
- Recommend CIRDI consider additional avenues for sharing information and keeping Council members apprised of CIRDI activities.
- Recommend CIRDI Board communicate issues to the Advisory Council as a whole, and allow those Council members with relevant experience and the capacity to help to advise on the issue.
- Suggest the format of future Advisory Council meetings allow for each Council member to spend five minutes or so to present his/her own set of recent issues and experiences, as another way of informing CIRDI’s work.
- Recommend CIRDI’s strategic direction be refined into a strategic plan, articulating the organization’s strengths, weaknesses, opportunities and risks.

With specific regard for CIRDI’s strategic, the following recommendations were made:

- Recommend CIRDI consider addressing issues around private foreign and direct investment – this aspect of fiscal regulation can have more direct impact on lives worldwide than any other.
- Recommend CIRDI consider integrating gender and mining, and human rights, into its strategic direction – robust gender and human rights strategies that weave through every CIRDI activity. The Council would welcome these issues as discussion topics at future Council meetings.

Final Wrap-up and Next Steps

In closing the meeting the Council discussed setting future Advisory Council agendas. Throughout this discussion, a number of possible approaches were recommended:

- The Advisory Council proposes a number of possible areas of concern on which they could provide advice, and the Board chooses from this menu of proposed topics.
- Alternative: The Board and management issue a first draft of the agenda, and the Council respond to this agenda with comments and/or recommendations. A more iterative process may result in greater buy-in from both the Board and the Council, and contribute to building the relationship between the two groups.
- Recommend that for future Council meetings the second day be more of a collaborative activity.
- There are potentially two ways in which Council members can operate:
 - Formal Council meetings.
 - Smaller groups of members giving advice on volunteer basis – if there are things on which CIRDI could use the Council’s advice on, willing and available members can contribute.

NEXT STEPS: next meeting of the Advisory Council

Council members expressed that early to mid-January is generally a convenient time to meet.

FINAL THOUGHTS

- The discussion yesterday seemed very inward looking – it would be useful to have the CIRDI Logic Model presented at the next meeting, as part of an exercise to tie all of CIRDI’s activities together, and to a larger context.
- The Council agreed to offer comment on CIRDI’s Logic Model, following this meeting.
- Given that CIRDI will soon have new management personnel, including CEO, the Council recommends the next Advisory Council meeting be in-person.

Appendix A: Advisory Council Meeting Attendees



Participants at advisory council meeting June 25-26, 2015 in Vancouver, BC.

Advisory council members	
Name	Title, Organization
Sam Burton	Director, Policy & Advocacy, Engineers Without Borders Canada
Jim Cooney, Chair	Adjunct Professor, Norman B. Keevil Institute of Mining Engineering, UBC and Simon Fraser Beedie School of Business
Steve D'Esposito	President, RESOLVE, Inc.
Janine Ferretti	Chief, Environment and Social Safeguards Unit, Inter-American Development Bank
Susan Joyce	Principal and co-founder, On Common Ground Consultants, Inc.
Patricia Peña	Director General, Economic Development, DFATD
Paulo De Sa	Practice manager, energy & extractives, World Bank Group
Ian Satchwell	Director, International Mining for Development Centre (IM4DC)
Bruce Sprague	National mining leader, mining & metals, Ernst & Young
Edward (Ted) Thomas	Private sector partnerships advisor, CARE Canada
Regrets	
Ben Chalmers	VP Sustainable Development, Mining Association of Canada
Larry Phillip Fontaine	President, Ishkonigan Consulting and Mediation Inc.

CIRDI board members	
Name	Title, Organization
Helen Burt	Associate VP research & international; professor, pharmaceutical sciences, University of British Columbia
Danny Shapiro	Professor, global business strategy, Simon Fraser Beedie School of Business
Arlin Hackman	Consultant & former VP, conservation & chief conservation office, World Wildlife Fund
Moura Quayle, Chair	Director, Liu Institute for Global Issues; professor, Strategic Design, UBC
Regrets	
Joy Johnson	VP research, SFU
Line Dubé	Director, international relations office, École Polytechnique de Montréal
Stephen Nairne	Managing director, Lundin Foundation

CIRDI staff members	
Name	Title, Organization

Gilian Dusting	Communications lead
Peter Jones	Executive Coordinator
Mikhaela Meznaric	Program Officer
David Parker	Senior Advisor

Other participants	
Name	Title, Organization
Cynthia Callison	Callison & Hanna – Barristers & Solicitors
Roberts Falls	Adjunct professor, UBC Forest Sciences Centre, and executive director, Centre for Applied Earth Observation, UBC
Andre Xavier	Manager lifelong learning, Norman B. Keevil Institute of Mining Engineering

**Appendix B: Building Consensus: Findings from a
Workshop on Integrated Resource Management –
Prepared by I. Thomson**



**BUILDING
CONSENSUS**
**Findings from a
workshop on
Integrated
Resource
Management**

Prepared for
The Advisory Council of
The Canadian
International Resources
and Development Institute

Prepared by
Ian Thomson of
Shinglespit Consultants
Inc.

July 2015



SHINGLESPLIT
CONSULTANTS INC

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EXECUTIVE SUMMARY

This report provides an account of a Workshop on Integrated Resource Management (IRM) organized by the Canadian International Resource Development Institute (CIRDI) on the morning of June 26, 2015. The Workshop was conducted in two parts: an initial, higher level examination of the meaning of IRM and its relevance and significance to CIRDI; and a subsequent more detailed examination of the current understanding and application of IRM in Peru and how CIRDI projects in that country can best be structured to reflect the theme of IRM

The principal findings of the Workshop are:

On Integrated Resource Management as an initiative to be pursued by CIRDI -

- An opportunity exists for CIRDI to take a leadership position on the application of IRM in the extractive sector. The most viable role for CIRDI would be to support the strengthening of processes that support IRM with the expectation that this would contribute to better outcomes. However, CIRDI will need to conduct a certain amount of due diligence to determine how best to proceed.
- Applying IRM as a core thematic activity would be positive for CIRDI as it would impose some structure and discipline on the definition of CIRDI projects and their ranking for relevance to CIRDI's mandate.
- IRM is seen as overlapping with and complementing the other program themes identified as focus areas for CIRDI, namely; Fiscal and Regulatory Governance, and Employment and Livelihoods.
- A number of elements or aspects of IRM are seen to be of particular relevance to CIRDI, although there is concern to also identify where the Institute can have the greatest impact. Initial thinking is that CIRDI can contribute most in the area of data (high quality, reliable, validated data) and the analysis and communication of data using cutting edge techniques. Other elements of IRM considered to be relevant to CIRDI include: capacity building, training and education; piloting and testing ideas, and acting as honest broker in convening multi-stakeholder gatherings.
- Early engagement with potential partner countries (governments and other regional actors) is seen as a necessary way of identifying opportunities for CIRDI, particularly projects that would be experimental and lead to cutting edge practices.
- To be successful in applying IRM, CIRDI requires strong leadership, clear direction and an internal IRM strategy for the optimal utilization of CIRDI resources. At present, CIRDI has limited internal capacity. On the other hand, it does have access to a network of partners that collectively have considerable expertise and capacity to act; CIRDI can leverage that capacity. Unfortunately, there is a notable shortage of true interdisciplinary experts who could champion IRM on behalf of CIRDI
- The formation of IRM multidisciplinary teams is to be encouraged for project planning and execution. If CIRDI lacks capacity, it should look for it and draw on the best Canadian expertise available or establish partnerships with relevant organizations in developing countries.
- A problem to be overcome is a lack of understanding of what CIRDI's resources actually are. An inventory of IRM competencies that CIRDI can bring forward is needed to identify what can be done across a wide spectrum
- IRM requires a long term commitment, which may conflict with the relatively short time frame that CIRDI is working under. On the other hand, the extended period of involvement demanded

for IRM provides an opportunity to cultivate relationships that will endure, and time for innovation and incubation of ideas and capacities.

On Integrated Resource Management as an initiative to be pursued by CIRDI in Peru -

- Water is seen as a good topic to use as a point of entry for conversations in Peru. It allows for a focus on mining within IRM with the river watershed as a spatially unifying framework.
- Peru is a crowded place with many actors and projects already in place. There is thus need for a pre-project gap analysis of what appears to be a fragmented panorama to identify where CIRDI can make a difference.
- CIRDI needs to find out where a Canadian led initiative can offer added value. A principle to follow could be to work with existing initiatives by figuring out what is happening on the ground and find ways to support and strengthen it through applying the theme of IRM
- CIRDI could be the agent to mobilize particularly relevant Canadian expertise for application in Peru, for instance in remote sensing as a tool in support of IRM.
- To facilitate entry into Peru, and help maintain momentum on projects, CIRDI will need champions in Peru and in Canada who understand the theme of IRM.
- CIRDI can't go into Peru without a knowledgeable, experienced team, carefully scoped process, well rounded understanding of context and the ability to project a clear intention and capability.
- CIRDI should be thinking of how to safeguard its reputation and people. It would be wise to have policies and a portfolio of established practices for engagement with partners and stakeholders, which encourage trust building, transparency and textual structures that, in turn, would help detect soft signals around social, cultural and political issues that will almost certainly be factors on the ground.
- Security is the most immediate concern. However, the areas where personal security becomes a major issue and limits action on the ground are reasonably well know and need not become a limiting factor for a CIRDI project.
- CIRDI may not be perceived as a neutral party or honest broker in the Peruvian context. CIRDI needs to be aware that some stakeholders may perceive the institute as an arm of the Canadian government acting in the interests of the Canadian mining companies.
- CIRDI does not need to promote IRM in Peru. The Institute should quietly ensure that its projects conform to that theme.
- To move forward confidently, CIRDI needs a comprehensive strategy for Peru

Action items:

1. Develop and document a CIRDI Strategy for Peru for open distribution.
2. Create an inventory of the human resources (expertise, experience, capacity) relevant to IRM that is potentially available to CIRDI in the partner universities, elsewhere in academia, among industry partners, and elsewhere in Canada.

BACKGROUND

The Canadian International Resources and Development Institute (CIRDI) is a centre of expertise lodged jointly in the University of British Columbia, Simon Fraser University and Ecole Polytechnique de Montreal dedicated to in improving and strengthening resource governance. The stated objectives of CIRDI are that developing countries are able to:

- Expand their ability to develop and manage natural resources in environmentally and socially responsible ways
- Capture a fair share of the wealth generated by natural resources
- Use natural resources to stimulate sustainable socio-economic growth, within and beyond the extractive sector

CIRDI's activities are directed by an Executive Board, which oversees strategic direction, reviews and approves activities and approves annual budgets. In turn, the Board is supported by an Advisory Council, which advises the Board on issues relevant to CIRDI's strategic direction in order to help ensure the Institute achieves excellence in improving, in a measurable way, the ability of developing countries to manage and benefit from their extractive sectors in order to stimulate sustainable growth and reduce poverty.

CIRDI has three extractive resources program themes:

1. Fiscal and Regulatory Governance – Fiscal regimes, revenue distribution and management, regulatory oversight, transparency, project finance, transfer pricing
2. Integrated Resource Management – Regional development planning, infrastructure, water, energy, environment
3. Livelihoods and Employment – Labour force development, procurement and supply chain, artisanal and small-scale mining, economic diversification, health

With a view to strengthening collective understanding and hence improve the ability of the Advisory Council to provide strategic advice and the Executive Board to appreciate and act on this advice, a Workshop on Integrated Resource Management (IRM) was organized on the morning of June 26, 2015. The Workshop was conducted in two parts: an initial, higher level examination of the nature of IRM and its relevance and significance to CIRDI; and a subsequent more detailed examination of IRM in Peru and how CIRDI might best make a contribution to IRM in that country (see Appendix A for the full workshop agenda). Peru was selected for discussion in part to test whether this form of discussion could be effective in developing and channeling advice from the Advisory Council to CIRDI.

IRM emerged from thinking provoked by the 1987 publication of 'Our Common Future', the final report of the World Commission on Environment and Development, also known as the Brundtland Report, and formalization of the concept of sustainable development. IRM has primarily found application in the study and administration of renewable resources such as forestry, agriculture, land and water, where the emphasis is on ensuring that the renewable elements are there for future generations. Mining, oil and gas – the extractive industries - utilize non-renewable natural resources and hence do not easily fit into the IRM paradigm. Similarly, they are spatially constrained in being uniquely located 'where you find them' – they cannot be moved to suit the purpose of zoning development to avoid harm to other, sustainable elements of the environment. As such the application of IRM to mining, oil and gas by governments is inherently challenging, and openly questioned by some commentators.

This report is a compilation of inputs from members of the Advisory Council made in the form of written statements, summaries from group discussions and commentary in open plenary conversations around

structured presentations and open questions. The Agenda for the Workshop, which was facilitated by Ian Thomson assisted by Garth Thomson and minuted by Peter Jones, is provided in Appendix A. A list of participants in the Workshop is to be found in Appendix B.

CIRDI AND INTEGRATED RESOURCE MANAGEMENT

WHAT DOES INTEGRATED RESOURCE MANAGEMENT MEAN TO CIRDI?

To date there has been relatively little work on the specific implementation of IRM in the mining oil and gas sectors. An opportunity therefore exists for CIRDI to take a leadership position on the application of IRM to the extractive sector. In this context, there is general agreement that the lack of a universally accepted definition for IRM is not an obstacle for CIRDI. Further, IRM can be described as both a product/outcome for a system, as in:

‘Coordinated control, direction or influence all human activities in a defined environmental system to achieve and balance the broadest possible range of short and long term objectives’²;

or a process, as in:

‘A process which promotes the coordinated development and management of natural resources in order to maximize the resultant economic and social welfare in an equitable manner without compromising the sustainability of vital ecosystems’³;

There is strong consensus that the most viable role for CIRDI would be to support strengthening of processes that are aligned with IRM with the expectation that this would contribute to better outcomes.

It is accepted that the principal challenge for IRM is to find balance between a competing triad of priorities, namely: the social, environmental and economic aspects of the complex system interacting with resource utilization within a given area. There are often circumstances where there is either existing or potential integration between at least two aspects of the triad. Caution is warranted when the term efficiency is applied to any aspect of the triad. Notably, reference to ‘economic efficiency’ may lead to an implied emphasis on money and profits to the detriment of non-financial elements such as barter, unpaid labor, subsistence farming, etc. On the other hand, efficiency may also be interpreted as minimizing waste, which is to be encouraged.

In application, IRM needs to be **inclusive** in terms of the factors present in the system under consideration, the stakeholders involved, and short, medium and long term time scales. It should also be **holistic** in approach in order to encompass the complexity of natural systems and pay meaningful attention to cumulative impacts of development. Holistic should also be understood as including the acquisition, consolidation and utilization of all necessary data. IRM should also be **proactive** in planning for desired goals or end-states for the system under consideration through the formulation and analysis of potential scenarios.

The matter of ‘**trade-offs**’, which are emphasized in the literature as a key part of any IRM planning process, is considered to risk limiting real opportunities. Whilst there may necessarily be trade-offs, there many also be **synergies**; a reality that should be looked for and emphasized wherever possible.

Ideally, **IRM action plans** developed from a good process will establish the scope of development that is possible within the limits of ecosystem sustainability in terms of quantity (scale, intensity, etc.) and time (short, medium and long term). Such plans also lead to zoning, which establishes varying intensities (quantity, timing and location) of development within defined areas.

² Cairns, and Crawford, 1992, Integrated Environmental Management, Lewis, MI, USA; 215p

³ From the Dublin Principles, 1991, available at:
<http://www.wmo.int/pages/prog/hwarp/documents/english/icwedece.html>

IRM should ultimately be **strategic** in character, **focused** on the desired end-state and **adaptive** to allow for change as the consequence of implementing a plan become evident. There should be long term strategic **interconnectedness** to facilitate implementation of IRM plans together with an emphasis on **continuous learning** and a willingness to make meaningful changes should it emerge that plans are not working as desired.

For effective implementation, IRM requires; an **enabling environment** with relevant policies and regulations; **institutions** that are empowered to act and coordinated; and **management tools** in the form of plans, procedures and guidance documents. For CIRDI, these are aspects of governance that are subject to **political will, capacity and stability**. The latter is of particular significance in the Latin American jurisdictions where CIRDI is planning to become involved. In many of these countries, there is typically an almost complete turnover of administrative staff in every level of government following an election, and often a concomitant change in policy and priorities. Hence, CIRDI should focus on how to create stability and permanence in policy and IRM planning in developing country governments.

The literature on IRM notes that there are often significant barriers to the successful implementation of IRM. These include: a lack of political will on the part of governments; conflict with existing norms such as permitting mines as stand-alone projects rather than as part of cumulative impacts; competing interests, such as the familiar mining versus agricultural and domestic use of water; power imbalances as occur when small and large users of water find themselves competing for access to the resource; and, perceptions of equity, again often in terms of access to a resource such as water. To cope with these realities, CIRDI will need to conduct a certain amount of due diligence with the objective of determining how to proceed. However, such analysis should be sophisticated enough to understand what might stand in the way of success but not be unnecessarily exhaustive. If too much attention is given to studying barriers there will be a loss of initiative, momentum and opportunity.

Ultimately, the success of IRM depends on finding a balance between development opportunities and social and ecosystem constraints, which reflect community values and priorities, whilst taking into consideration the values of the greater society. In other words, IRM requires a significant component of ‘bottom-up’ input to be socially legitimate and hence acceptable to local populations. If local actors are not comfortable with what is brought to them by government in a ‘top-down’ approach, it is just not going to work. Comprehensive stakeholder engagement and multi-stakeholder processes of consensus building and decision making are needed for IRM to deliver on its full potential.

HOW DO THEY RELATE TO OTHER CIRDI PROGRAM THEMES (Fiscal and Regulatory Governance, and Employment and Livelihoods)?

A number of elements of IRM are seen to be of particular relevance to CIRDI, although there is a need to identify where the Institute can have the greatest impact. Most immediately, the matter of data and, in particular, relevant, **reliable validated data** is an area where CIRDI expertise could be applied. This could include strengthening existing data bases by incorporation of variables that are more descriptive of parameters that are relevant to IRM, such as natural capital and ecosystem services, and GIS data based management.

Analysis and communication of findings derived from high quality data by applying cutting edge techniques are further elements of IRM of relevance to CIRDI. Finally, good quality data bases are needed to develop **relevant metrics and key performance indicators** that the may be understood at multiple levels (national, regional, local) and by diverse actors (government, community, civil society, companies, academia).

A second element of IRM that resonates strongly with CIRDI is that of **capacity building** with governments. This includes aligning of policies across departments of government, unblocking political and regulatory obstacles, and integrating IRM by identifying where it can have the greatest impact. These activities are all consistent with the CIRDI objective of changing the culture of decision making and leaving behind the learning.

Another element of IRM seen as relevant to CIRDI involves the **piloting and testing** of relevant ideas, concepts, methodologies and tools. These include: **indirect and cumulative impact assessment**, both environmental and social; **scenario modeling**; experience in **institutional integration**, both vertical and horizontal; new **governance approaches**; and, stakeholder **engagement models**.

Stakeholder engagement, collaboration and buy-in are seen as essential for success with IRM. This is an area where CIRDI could play a role as honest broker bringing people together in a way that challenges existing power imbalances to jointly address underlying attitudes and feelings and build alignment around issues.

Further aspects of IRM identified as relevant to CIRDI include: **documenting case histories**, developing and defining how IRM might be **taught to students** in terms of implementation on the ground, and **engaging in partnerships**. With respect to the latter subject, there is a positive opportunity for CIRDI to connect with local partners to build capacity in a developing country so things do not disconnect when CIRDI leaves.

In terms of relating to the other two CIRDI program themes, any and all aspects of data acquisition and utilization, stakeholder engagement and capacity building in government have immediate relevance. Furthermore, IRM could complement the other program themes, especially by finding overlaps with both of them in ways that could tie together bodies of research.

Looking more broadly, the comprehensive approach demanded from an IRM focused on mining could lead to improvements beneficial or strengthening to other resource sectors, for example, agriculture, forestry, energy production (hydro-electric, wind, etc.), and biodiversity protection.

WHAT ARE THE CHALLENGES TO CIRDI IN ALIGNING AND IMPLEMENTING IRM?

The most significant challenge lies with CIRDI itself. At present, CIRDI has limited internal capacity. On the other hand, it does have access to a network of partners that collectively have considerable expertise and capacity to act; CIRDI can leverage that capacity. However, CIRDI has first to identify where its comparative advantage lies.

In aligning and implementing IRM in the context of mining, CIRDI may have to identify and occupy a specific niche or niches. Once these points come clear, the needed capacities will emerge and the opportunities for leveraging the network and partnerships with other groups become visible. In this, CIRDI will also have to find the expertise to coordinate and implement, which will require convening, leadership and management skills that are in short supply. There is a notable shortage of true interdisciplinary experts who could champion IRM on behalf of CIRDI.

Other challenges include; being truly innovative; taking necessary risks, smart risks, to pilot ideas and fail with credibility; finding a balance between research and practice; and, promoting a long term view with governments that have limited lifetimes and put a political priority on delivering short term results. Partnering with in-country institutions with real permanency, such as universities and technical institutes is one method of assuring that the long view is embedded in developing countries.

Finally, there is the reality that, through the lens of IRM, there will be instances where the dispassionate conclusion is that mining should not take place or that it should be delayed. The challenge will come with delivering such a decision to governments and companies that will not want to hear it.

WHO NEEDS TO BE AT THE TABLE?

Conceptually the table should include all interested parties, including ‘nay-sayers’ and people normally considered as ‘outside the tent’. In reality, participation will depend on what CIRDI is trying to achieve, but would normally always include affected communities, government and industry.

The formation of multidisciplinary teams is to be encouraged for project planning and execution. If CIRDI lacks capacity, it should look for it and draw on the best Canadian expertise available or establish partnerships with relevant organizations in developing countries.

It should be remembered that ‘communities’ are not homogeneous and CIRDI may find it necessary to have multiple representatives from a single ‘community’ at the table in order to accommodate the natural diversity of the population. Input from specialists with local knowledge of community social structures will be needed to reliably identify who should be at the table.

WHAT IS THE IMPACT OF IRM ON CIRDI RESOURCES?

To be successful in applying IRM, CIRDI requires strong leadership, clear direction and an internal IRM strategy for the utilization of CIRDI resources so that they are used well. The organization needs to be nimble and lean while applying a full multidisciplinary lens to the identification and mobilization of resources.

With respect to IRM, it will be necessary to identify where there is a comparative advantage that CIRDI can provide. In figuring out this comparative advantage, CIRDI should not spread its resources too broadly and a judgement will be required as to when a proposed project is too big for the Institute. CIRDI should pick one or two situations where a lot of learning can be obtained to gain experience. In mobilizing expertise for IRM, CIRDI needs expertise to mobilize expertise and make the different resources that will be required work together coherently.

A problem to be overcome is a lack of understanding of what CIRDI’s resources actually are. An inventory of competencies that CIRDI can bring forward is needed to identify what can be done across a wide spectrum, from hard science to mentoring government personnel. A further opportunity could be matching consultants and other non-academic specialists with a complementary faculty member to augment capacities. Ultimately, the content of the research agenda is important as this will reveal where there is a match between university faculty with relevant expertise or a need to go outside to find such people.

WHAT IS THE IMPACT OF IRM ON CIRDI FLEXIBILITY?

Investing in IRM as a core thematic activity would be positive for CIRDI as it would impose some structure and discipline. It could be a very useful framework and aspiration, and not necessarily a set program or portfolio of projects.

CIRDI should not seek flexibility around IRM; rather there is merit in conducting a study on what other groups are doing to help guide CIRDI and narrow the approach it should take. It is important to remember that IRM requires a long term commitment, which may conflict with the relatively short time frame that CIRDI is working under.

Flexibility could be created within a long term project founded around IRM that generates learning on specific needs, which could then be put back into CIRDI activities and practice. CIRDI could then turn

around and append future work to that initial project, which in turn could produce services that can be replicated and/or monetized.

WHAT IS THE IMPACT OF IRM ON CIRDI RELATIONS WITH POTENTIAL PARTNERS AND GOVERNMENT?

To date there has been insufficient scoping of what is going on in IRM and where the opportunities for making a positive contribution are. Furthermore, IRM is most unlikely to be the 'first ask' of a country: countries request projects, not themes. Insofar as possible, CIRDI should structure its projects so as to be consistent with IRM, even if that language is not specifically used in the project descriptions. Given these realities, CIRDI will have to choose wisely where it invests efforts, should a meaningful opportunity be present. There should be a willingness to fail while still making a positive contribution through sharing the lessons learned.

Given that initiatives directed towards IRM are likely to be long term, the impact will most probably be positive as there will be opportunity to cultivate relationships over a length of time. This long time frame also allows space for innovation and incubation of ideas and capacities.

IRM would provide a platform to engage and leverage the constellation of CIRDI partners. However, it would be equally important to find out where the IRM opportunities for CIRDI really are, and not where people think they are.

Early engagement with potential partner countries (governments and other regional actors) is seen as a necessary way of identifying opportunities for CIRDI, particularly projects that would be experimental and lead to cutting edge practices.

INTEGRATED RESOURCE MANAGEMENT IN PERU

THE PERUVIAN CONTEXT

Peru is a mining country. Mining contributes 15% of GDP and 60% of foreign revenues. It is very largely a feature of the Andean highlands, taking place in and around rural campesino communities. Thanks to the recent expansion of mining in the country, Peru has enjoyed more than fifteen years of steady economic growth and low inflation. Despite this increasing national wealth, structural and procedural problems have impeded wealth distribution to the regions where mining takes place. One consequence is that people in the mining districts do not always feel that the industry benefits them.

Peru is notable for the low levels of trust, both between individuals and with respect to institutions of government. The only significantly trustworthy entity is the Catholic Church. The low levels of trust are complemented by a high level of wants. In areas where mining takes place, frustration with the lack of action by government in satisfying these wants leads to demands on the companies. For most of the last ten years the dominant concern within the population has been the economy – or more particularly how it has or has not benefitted them personally. Over the last two years concern for personal security has increased significantly in almost all regions.

With respect to IRM, the only point in the mining life cycle where genuine integration of the agencies of government takes place is at permitting for an operating mine. However, since projects are evaluated individually, as stand-alone proposals without consideration of what other operations are active, proposed or possible, there is no real ability to include assessment of cumulative impacts.

On the other hand, beginning in 2003, there has been significant effort to apply IRM to the administration of water resources on a drainage basin basis. The emphasis has been on rivers draining into the Pacific Ocean that are important for agriculture and as sources of water for coastal cities such as Lima. Looming behind these studies, and a growing public concern for water, is the reality of climate change, loss of glaciers and expectations that water supplies will become less predictable in the future.

At the national level, agriculture is the dominant user of water at 86%, followed by populations (cities and towns) at 7%, industry uses 6% and mining 1%. However, since mining operations are frequently situated in the mountains in the headwaters of the rivers that service coastal agricultural areas and cities, there is a pervasive perception that mining poses a particularly high risk to water quality and quantity available to other users.

The National Water Authority (ANA) has completed or is completing integrated management projects in some 13 drainage basins. Much of this work has been structured under legislation developed since 2009 that gives ANA the central role in developing a national strategy for water. Similar studies have been completed on a smaller scale by university and NGO groups, which focus on specific issues such as water supply to individual cities and agricultural districts. The Pontifica University Catolica in Lima has been a prime mover in introducing and innovating on the concept of IRM for water in Peru. In 2009, the Grupo Dialogo Minero y Desarrollo Sostenible, a multi-stakeholder forum, established a working group and 'Agenda for sustainable management of water, drainage basins and mining' to facilitate coordination between interest group.

It appears that to date only one study, financed by IADB and conducted by Japanese Aid, has attempted to fully integrate mining into an IRM of a drainage basin. This Mashcon-Chonta Project included, in the headwaters of these rivers, the Yanacocha Mine plus the Conga, Galeno and Michiquillay mine projects that are at the development and advanced exploration stage. Importantly, this project has spawned a

number of masters and doctorate studies at universities in Spain. A small study in Arequipa, which involved the University of Newcastle, unfortunately failed to deliver a final report.

The literature on IRM of water in Peru, which is almost entirely in Spanish, identifies a number of lessons learned and challenges remaining for the successful application of IRM for water (and mining) in Peru. The first is to find the appropriate balance between a 'top down' and 'bottom-up' approach that reflects local concerns, and hence gains legitimacy, and also meets larger district, regional and national criteria. Commentators are particularly critical of ANA for applying a model largely based on the economic or monetary value of water, which pays scant attention to social and cultural aspects.

A more serious critique is that, despite the body of legislation developed since 2009, there is a lack of appropriate institutional frameworks for effective implementation of IRM. In part this is a reflection of judicial fragmentation that arises from the physical reality that drainage basins do not follow political boundaries. There is also limited capacity at every level and questions of representation and power at the table where issues are discussed and planning decisions made. Issues often rapidly become politicized in an atmosphere where a lack of data and common understanding of the facts fosters polarization of opinions and conflict.

It should be remembered that ANA is a unit of the Ministry of Agriculture and many stakeholders believe, implicitly that it will always favor the agricultural sector to the disadvantage of all other water users. Ultimately, it is this lack of trust in institutions and absence of a meaningful social contract that lies behind many of the problems reported in the literature.

WHAT DOES CIRDI NEED TO DO TO MEET THE REALITY ON THE GROUND IN PERU?

CIRDI needs a comprehensive strategy for Peru.

As a critical starting point, CIRDI can't go into Peru without a knowledgeable, experienced team, carefully scoped process, well rounded understanding of context and the ability to project a clear intention and capability. There is a need to find and use the language that enables real communication. Peruvian culture will not change, so it is essential that CIRDI find where there is alignment of values on which to move ahead in a collaborative way.

In terms of opportunities, CIRDI needs to find out where a Canadian led initiative can offer added value. Duplicating existing initiatives is not going to work. One area that may be fruitful is to put together projects in support of institutionality in Peru that cover identified process gaps. In short, a principle could be to work with existing initiatives, not create new ones, by figuring out what is happening on the ground and find ways to support and strengthen it by defining the relevance to IRM.

Given the social and cultural complexity of Peru and scope of existing initiatives in the country, CIRDI should be thinking of how to safeguard its reputation and people. It would be wise to have policies and a portfolio of established practices for engagement with partners and stakeholders, which encourage trust building, transparency and textual structures that, in turn, would help detect soft signals around social, cultural and political issues that will almost certainly be factors on the ground.

To facilitate entry into Peru and help maintain momentum on projects, CIRDI will need champions in Peru and in Canada. Ideally, it will be possible to bring people from Peru into the CIRDI space to share experiences, perspectives and outlook on issues. Such close personal collaboration has the potential to identify a shared vision of what can be done and how to do it. A broad approach should be used to locate these people, looking beyond the normal population of academic contacts. Candidates might come from trade commissioners, civil society or even industry.

WHAT ARE THE PRINCIPAL CONCERNS FOR CIRDI OPERATING IN PERU?

Security is the most immediate concern. However, the areas where personal security becomes a major issue and limits action on the ground are reasonably well known and need not become a limiting factor for a CIRDI project.

Of greater concern is the reality that Peru is already a crowded place with many actors and projects in place. What is the absolute capacity of the country, and the various levels of government to participate effectively? Water seems to be a good beach-head for CIRDI but there is need to understand how and where CIRDI can provide added value. There is thus need for a pre-project gap analysis of what appears to be a fragmented panorama to identify where CIRDI can make a difference. Of particular importance is an understanding of the strengths of the different university faculties in Peru and hence who to partner with and where to most productively share knowledge.

CIRDI could be the agent to mobilize Canadian expertise for application in Peru; for instance in remote sensing as a tool in support of IRM. However, CIRDI may not be perceived as a neutral party or honest broker in the Peruvian context. CIRDI needs to be aware that some stakeholders may perceive the institute as an arm of the Canadian government acting in the interests of the Canadian mining companies. Under such circumstances, the lack of trust in CIRDI as a disinterested party will make it difficult to implement IRM on the ground.

WHAT COULD BE THE BEST OPPORTUNITY FOR CIRDI IN PERU?

Water is seen as a good topic to use as a point of entry for conversations in Peru. It allows for a focus on mining within IRM with the watershed as a spatially unifying framework. It is a valid choice for CIRDI that would provide the opportunity to collect data and establish a basis for convening both upstream and downstream stakeholders. CIRDI could tap into existing academic expertise in Peru to produce baseline data and provide guidance on the social and cultural nuances of stakeholder engagement and convening multi-stakeholder processes.

A number of members of the Advisory Council have direct practical experience in Peru that could be relevant to an IRM initiative. Conceptually, these members could be much more involved than in an advisory capacity.

ACTION ITEMS

The following are the action items identified at the conclusion of the workshop:

1. A report on the Workshop (this document);
2. A Peruvian Strategy document as a separate, public document posted on the CIRDI website;
3. An inventory of the human resources (expertise, experience, capacity) relevant to IRM that is potentially available to CIRDI in the partner universities, elsewhere in academia, among industry partners, and elsewhere in Canada.
4. A document distilling the advice offered by the Advisory Council over the series on meetings held on June 25/26 ahead of and following the Workshop.

APPENDIX A – WORKSHOP AGENDA

INTEGRATED RESOURCE MANAGEMENT

CIRDI WORKSHOP

PART 1 – Integrated Resource Management

Introduction and opening round-robin question:

What does IRM mean to you?

Orientation presentation by IT

Conversation 1

What are the key elements or aspects of IRM that are most relevant to CIRDI and how do they relate to other CIRDI program themes (Natural Resource Governance, and Employment and Livelihoods)?

What do you think are the challenges to CIRDI in aligning and implementing IRM?

Who needs to be at the table?

Conversation 2

What is the impact on CIRDI resources?

What is the impact on CIRDI flexibility?

What is the impact on CIRDI relations with potential partners and government(s)?

Review and discussion

PART 2 – Integrated Resource Management in Peru

Orientation presentation by IT

Conversation

What does CIRDI have to do to meet the reality on the ground in Peru?

What most concerns you about CIRDI operating in Peru?

What do you think could be the best opportunity for CIRDI in Peru?

Review and discussion

CLOSURE

APPENDIX B – WORKSHOP PARTICIPANTS

- Sam Burton
- Ben Chalmers (by phone)
- Jim Cooney
- Paulo De Sa
- Stephen D'Esposito
- Robert Falls
- Janine Ferretti
- Arlin Hackman
- Susan Joyce
- Mikhaela Menzaric
- David Parker
- Patricia Pena
- Moura Quayle
- Ian Satchwell
- Bruce Sprague
- Ted Thomas
- Andre Xavier