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MANAGEMENT RESPONSE TO  
REQUEST FOR INSPECTION PANEL REVIEW OF  
ECUADOR MINING DEVELOPMENT AND ENVIRONMENTAL CONTROL  
TECHNICAL ASSISTANCE PROJECT  
(LOAN 3655-EC)

Management has reviewed the Request for Inspection of the Ecuador Mining Development and Environmental Control Technical Assistance Project received by the Inspection Panel on December 13, 1999 and registered on December 17, 1999. The following Response has been prepared by Management.

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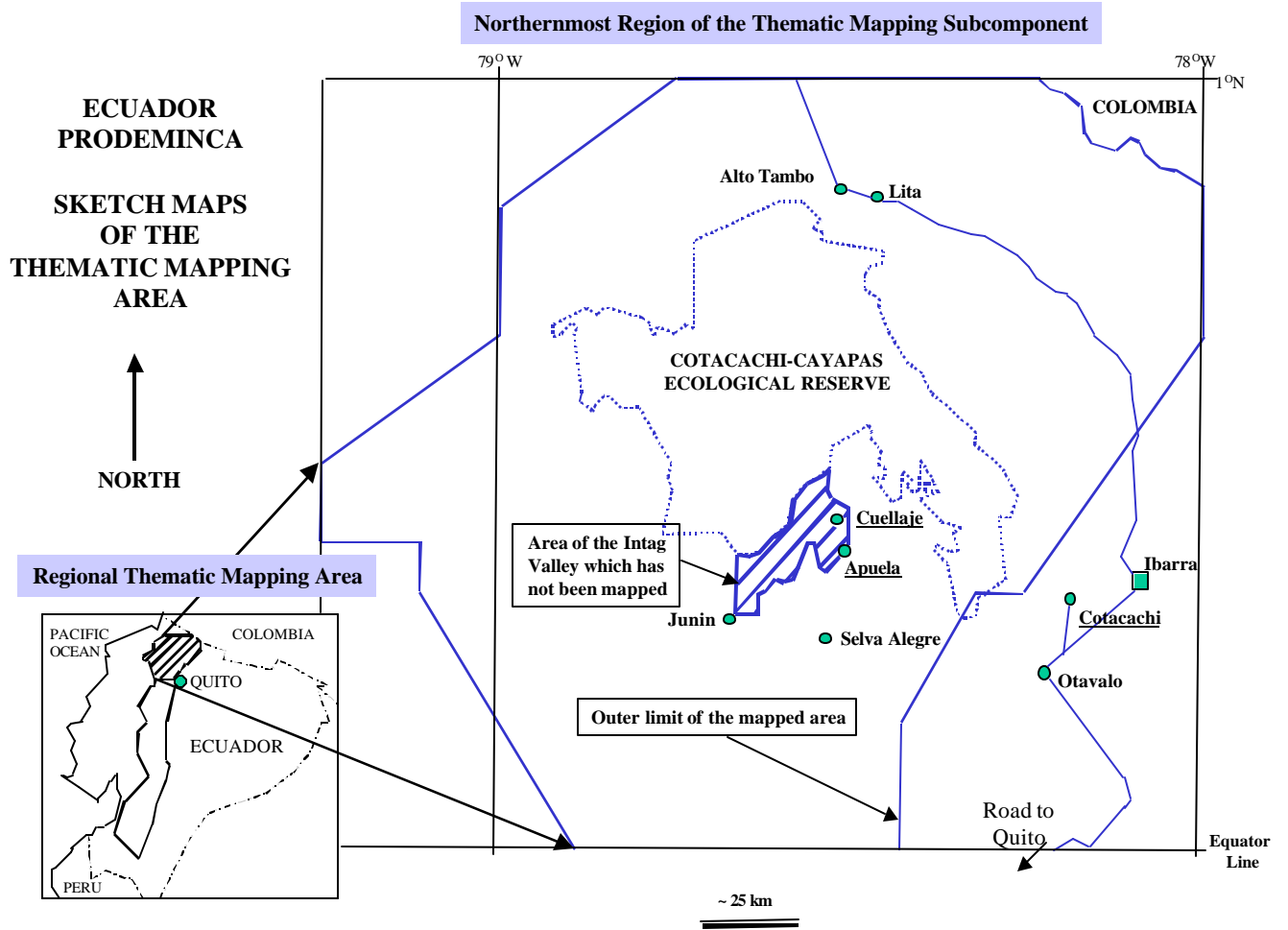
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## Abbreviations Used in This Document

BGS	-	British Geological Survey
BITS	-	Swedish Government's Agency for International technical and Economic Cooperation (now integrated into SIDA)
BP	-	Best Practice
CAAM	-	Environmental Advisory Committee
CEDENMA	-	Ecuadorian Committee for the Defense of Nature and Environment
COFENAIE	-	National Federation of Ecuadorian Amazon Indigenous People
CONAIE	-	National Federation of Ecuadorian Indigenous People
DECOIN	-	Defense and Ecological Preservation of Intag
DFID	-	UK Government's Department for International Development
DINAGE	-	National Geology Directorate (SSM)
DINAPA	-	National Environmental Protection Directorate (SSPA)
DINAMI	-	National Mining Directorate (SSM)
EA	-	Environmental Assessment
EDs	-	Executive Directors
EIA	-	Environmental Impact Assessment
EIMS	-	Environmental Information and Management System
GEF	-	Global Environment Facility
GIS	-	Geographic Information System
GSO	-	Geological Survey Organizations
IUCN	-	International Union for the Conservation of Nature
LAC	-	Latin American and Caribbean Region, The World Bank
INEFAN	-	Ecuadorian Institute of Forestry, Natural Areas and Wildlife
LATEN	-	Technical Environmental Division, Latin American and Caribbean Region, The World Bank
MA	-	Ministry of Environment
MEM	-	Ministry of Energy and Mines
MOP	-	Memorandum of the President
NGO	-	Non-Governmental Organization
OD	-	Operational Directive
ODA	-	Overseas Development Agency (UK), now DFID
OP	-	Operational Policy
PCU	-	Project Coordination Unit
PRODEMINCA	-	Mining Development and Environmental Control TA Project
QAG	-	Quality Assessment Group, The World Bank
SES	-	Swedish Environmental Systems
SGAB	-	Swedish Geological AB
SIDA	-	Swedish International Development Agency
SSM	-	Sub-secretariat of Mines (MEM)
SSPA	-	Sub-secretariat of Environmental Protection (MEM)
UAM	-	Mining Environment Unit (SSM)
UNDP	-	United Nations Development Program
USGS	-	United States Geological Survey

Map of Project Area Subject of the Request for Inspection



## I. Introduction

1. On December 17, 1999 the Inspection Panel registered a Request for Inspection, IPN Request RQ 99/7, concerning the Ecuador Mining Development and Environmental Control Technical Assistance Project, the implementation of which is currently supported by a Bank loan (Ln. 3655-EC).
2. Pursuant to paragraph 18 of the Resolution establishing the Inspection Panel, Bank Management hereby responds to the Request by stating that the Bank has complied with all operational policies and procedures applicable to the matter raised by the Request, and that the Request fails to demonstrate that the Requestors' rights or interests have been, or will be, directly and adversely affected by the alleged failure of the Bank in the application of its policies and procedures.

## II. The Request

3. The Request for Inspection Panel review is filed by a group known as DECOIN (Defensa y Conservacion Ecologica de Intag), a non-governmental organization dedicated to environmental protection in the Intag Valley, and signed by a total of ten persons, six of whom are DECOIN members and four of whom belong to the Rio Intag Asociación de Caficultores (Rio Intag's Coffee Growers' Association). Attached to the Request are several letters from international environmental NGOs, such as IUCN, and academic institutions, such as the Museum of Comparative Zoology and the New York Botanical Garden. However, these letters address only the general issue of the unique bio-diversity in the area - which is not contested by management - and not the specifics of the Requestors' claims relative to PRODEMINTCA scientific research activities.
4. The Request alleges that: (i) the thematic mapping activity conducted under one component of the Project threatens the Requestors' fundamental rights to work in agriculture and cattle raising and to live in a contamination free environment, and negatively affects the Catacachi-Cayapas protected area and natural habitats; and (ii) the Bank has not complied with its policies and procedures on environmental assessments, natural habitats, participation, and supervision. The Requestors ask that the information gathered as a result of the mapping activities not be published.
5. Management notes that, while the Request is signed by 10 individuals, it has received a letter in full support of the Project signed by 42 individuals from the same area as the Requestors (Annex E).

### III. Project and Thematic Mapping Activity Background

6. The Ecuador Mining Development and Environmental Control Technical Assistance Project (PRODEMİNCA<sup>1</sup>) was identified in September 1989, prepared by the Government with assistance from the Bank and the Swedish Government from 1990 to 1992, and appraised in December, 1992. The original loan in the amount of US\$ 14 million<sup>2</sup> equivalent was approved by the Bank's Board of Directors on October 21, 1993. Co-financing was provided by the United Kingdom ODA (now DfID) for US\$ 4.0 million equivalent and the Swedish BITS (now integrated into SIDA) for US\$ 4.7 million. The counterpart contribution from the Government of Ecuador (GOE) is US\$1.9 million equivalent. The Loan Agreement was signed on March 8, 1994 and became effective on July 14, 1994. Last year, the Project's original closing date of June 30, 1999 was extended to June 30, 2000.

7. The objectives of this Technical Assistance Project are to reform the Ecuadorian mining sector and create an enabling environment to (i) assist Ecuador in the implementation of its mining legislation to attract private investment for, and support the systematic development of, environmentally sound mineral production; and (ii) arrest and mitigate environmental degradation that results from use of primitive and inadequate technology by artisanal and small-scale mining operations. Since 1995, emphasis has also been given to the improvement of socio-economic impacts of mining on local communities, more particularly within the small scale mining areas of south west Ecuador.

8. To achieve its objectives, the Project provides technical assistance for:

**Sector policy management** (US\$ 2.8 million): institutional strengthening and modernization of the regulatory framework, including technical assistance to build capacity and strengthen sector oversight institutions (MEM), especially those responsible for environmental protection (DINAMI), land management (DINAMA), geological information infrastructure and small scale mining matters (CODIGEM/DINAGE);

**Policy implementation** (total US\$ 18.3 million):

- pollution and health monitoring (US\$ 3.0 million)
- containment and neutralization of hazardous mining wastes (US\$2.1 million)
- geological sheet mapping (US\$ 4.1 million)
- *production and publication of thematic maps (US\$ 2.8 million)*
- assessment of ore districts (US\$ 1.7 million)
- mining information systems (US\$ 1.6 million)
- new mining cadastre (US\$ 0.9 million)
- development assistance to small scale mining (US\$ 2.0 million); and

**Project coordination** (US\$ 0.8 million).

<sup>1</sup> Spanish acronym for "Proyecto de Desarrollo Minero y Control Ambiental".

<sup>2</sup> After cancellation of US\$ 3 million in November 1998, the total amount of the IBRD loan now represents US\$ 11 million.

9. While the Request for inspection addresses various concerns, they all relate to the thematic mapping sub-component of the technical component of the Project, which represents approximately 12% of total Project costs. The execution of other components of the Project is not the subject of the Request. The production and publication of thematic maps, as well as geological maps, are carried out by the British Geological Survey (BGS), with principal funding from the Overseas Development Agency (ODA, now DfID), together with the Ecuadorian National Geology Directorate (DINAGE). The activity started in August 1995 and will conclude in June 2000. Field investigations were completed in November 1999.

10. As background to this response, it is important to explain that thematic mapping on a broad regional scale of 1:200,000<sup>3</sup> is internationally recognized as a legitimate and basic, environmentally neutral, activity that is conducted by almost every government in the world. A significant evolution in recent years has been the ever wider range of non-mining related uses for this type of data, including, for example: setting of environmental standards and norms, soil chemistry, agricultural and even health applications, and establishing baselines against which the impact on the environment of future human activities can be objectively measured. A major design feature of the thematic mapping in Ecuador, specifically, is the analysis of a total of 38 elements, most of no direct relevance to mineral exploration. Most governments include national parks and protected areas in such regional thematic mapping surveys as a means of establishing environmental baseline data, even though mining is not permitted in these areas. For instance, in the United States, Yellowstone National Park has been mapped (see CD-Rom reference, Annex 1)<sup>4</sup> because, among other environmental uses, it helps to define better conservation practices. In the case of this Project, as an outcome of the appraisal mission, it was specifically decided to thematically map protected areas, even though mining would not legally be permitted in those areas, precisely because of the environmental data such mapping would generate and the fact that it could be done at nominal marginal cost. The collected data will be integrated in a nationwide and multi-users GIS supported scientific database.

11. The thematic mapping conducted by the Project is fully consistent with international initiatives co-ordinated by the United Nations (UNESCO) and the International Union of Geological Sciences, notably IGCP Projects 259 & 360 (Global Geo-chemical Mapping). It is also fully consistent with regional reconnaissance programs undertaken for the provision of environmental baseline data by most European and North American national geo-science institutions<sup>5</sup>. The rationale for such projects is stated clearly in a 1995 UNESCO publication<sup>6</sup>:

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<sup>3</sup> Originally, mapping on a scale of 1:250,000 and 1:100,000 was contemplated. In practice, all thematic mapping is being carried out on a scale of 1:200,000. The difference of scales is immaterial for purposes of the Request.

<sup>4</sup> Digital Atlas of the Greater Yellowstone Area, which forms part of series of earth science databases created by the United States Geological Survey (USGS) for national parks.

<sup>5</sup> The United States Geological Survey (USGS) has completed an extensive thematic mapping exercise in Costa Rica, known as one of Latin America's bio-diversity hotspots. USGS has also conducted similar work in Venezuela and in Bolivia.

<sup>6</sup> Darnley, A.G. et al., 1995. A Global Geochemical Database for Environmental and Resource Management – Final Report of IGCP Project 259. Earth Sciences 19, UNESCO Publishing.

*“A high quality geo-chemical database is pertinent to a wide range of investigations in the earth and life sciences, and should be considered an essential component of environmental knowledge. Detailed information about the natural variability of the geo-chemical background is pertinent to administrative and legal issues as much as to scientific research. Sustainable long-term management of environmental and mineral resources is dependent on a reliable database.”*

12. Thematic mapping of the kind supported by the Project is not prospecting and not adequate to identify mineral deposits which could be put into production. Thematic maps can, among their many uses, be useful to mining companies to help orient their exploration activities. But even under ideal conditions, many years and many millions of dollars worth of prospecting and exploration, as well as the preparation and approval of environmental impact assessments, as required under Ecuadorian legislation, must be dedicated before mining development could actually take place in areas where it is permitted by law. In the case of the present Project, one of the objectives is to help attract private investment in environmentally sustainable mining activities in areas where such activity would be both feasible and legally permitted. Correspondingly, the Project seeks to strengthen the Government’s ability to prevent illegal mining activities and to control legal mining activities that have or could have adverse environmental impacts, as shown for instance by the preparation of environmental regulations for mining activities (enacted in September 1997), as well as the establishment of Environmental Impact Assessment (EIA) review and monitoring procedures.

#### **IV. Response to Requestors’ Claims**

##### **A. Claims Related to Alleged Adverse Impacts**

13. Management is of the view that the Request does not meet the requirements set forth in the Inspection Panel Resolution of demonstrating the existence of any direct actual or potential adverse material impact.

14. **Requestor’s Claim 1.** *“The PRODEMİNCA Project threatens our fundamental right to work in agriculture and cattle raising, the principal economic activity in our zone, impacting our security and our constitutional right to live in an ecologically balanced environment free of contamination.”*

##### **Management Response.**

15. The Requestors cannot claim direct negative impacts on their fundamental rights to work in agriculture and cattle raising from the thematic mapping activities and the publication of the data resulting from such activities, for the following reasons. First, the area of the Intag Valley where the Requestors reside was not thematically mapped by the Project (see Map). Thus, even if the data obtained from the regional mapping activities are published, no specific information will be provided concerning this part of the Intag Valley. Accordingly, the Requestors cannot suffer any direct damage in the area where they live from the thematic mapping activities and the publication of their result.

16. Second, the thematic mapping which took place in adjacent areas, including the Cotacachi-Cayapas Ecological Reserve, in no way threatens any person’s fundamental

rights and certainly does not specifically threaten the rights of the individual Requestors. An argument to the contrary is necessarily based on the erroneous suppositions that: (i) earth science reconnaissance is equivalent to mineral prospecting, and leads directly and inevitably to mining; and (ii) mining would necessarily be inimical to traditional livelihoods in areas where it takes place. Such an argument also ignores the Ecuadorian environmental regulations, which prohibit mining in protected areas, and the EIA review process, which would take place before any mining development might start in those areas where mining would be allowed.

17. The first supposition (namely, that earth science reconnaissance is equivalent to mineral prospecting) is exaggerated because thematic mapping on a broad regional scale is not designed to directly find or prospect for mineral deposits. Similar thematic mapping and geo-chemical reconnaissance have previously been undertaken around and across the Cayapas-Cotachachi Ecological Reserve and this pre-existing data has been compiled by UNDP, Belgian, German, Italian and Japanese Technical Assistance teams over a period of approximately three decades<sup>7</sup>. The information is available as open file reports at DINAGE. The availability of these data has not led during these three decades to an invasion of the areas by mining companies or small scale miners. However, the risk of invasion by illegal, artisanal miners can not be fully ruled out. To address this potential risk, the Project will carry out during the next months a consultation process on how the information related to protected areas should be managed and disclosed. Furthermore, the PRODEMİNCA Project has been instrumental in helping the Government not only to develop environmental regulations and laws, but also to strengthen institutions and to build human capacity within governmental agencies to monitor and enforce the regulations, as well as controlling small scale mining activities. In addition, the GEF Biodiversity Protection Project has, as one of its primary objectives, to strengthen the management and protection capacity of protected areas by communities, including the Cotachachi-Cayapas Ecological reserve.

18. The second supposition (namely, that mining activities, if they were to take place in the future, would in and of themselves be inimical to traditional livelihoods and agricultural and cattle raising activities) is purely speculative. We cannot foretell if, in the future, economically exploitable deposits will be found in areas where mining is legally permitted, what minerals might be mined, what extraction methods would be used, whether the extracted ores would be simply concentrated or smelted, how many persons would be employed or how much the investment would be, or the types of community support programs that would be put into place. Under Ecuadorian law as well as international best practices, full impact statements and consultation with local communities would be required before mining licenses are issued. To suppose negative impacts on agricultural or cattle raising activities even at that subsequent stage is rather speculative. Indeed, the impacts of mining activities may, under the right conditions, be positive. In many countries in Latin America as elsewhere, mining is conducted in an environmentally sustainable manner and harmoniously co-exists in the community with

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<sup>7</sup> The well known platinum masks from “La Tolita”, an important pre-Colombian archaeological site, located close to the West of the Ecological Reserve, are made with metal exploited from local placer deposits. The knowledge of the existence of such placer deposits, documented in the mentioned studies, has not up to present triggered the development of illegal mining in the region.



other economic activities, such as agriculture and cattle raising. The need for diversified income generating activities has been recognized by other development NGOs active in the Cotacachi region (e.g. Terranova, CARE and others). While one could speculate that the economic interests of the Requestors might be threatened (and it is equally possible – in the realm of speculation – that they could be improved), there are members of the community who might welcome the jobs and infrastructure development that accompany mining development.

19. **Requestor's Claim 2:** *The Project negatively affects various protected areas which provide potable water resources and ensure a stable and diverse climate. The Request states that the Cotacachi-Cayapas Ecological Reserve is one of the unique world bio-diversity hotspots and that it contains endangered species.*

20. **Management Response:** The thematic mapping conducted by the Project in no way causes, or has caused, ecological damage to the protected areas, nor does it affect potable water resources or endanger wildlife or natural habitats. Management shares the view of the Requestors that the Cotacachi-Cayapas Ecological Reserve is a precious area of bio-diversity that requires special care and attention. This is why the Ecuador Government has declared it a protected ecological reserve, and also why measures to strengthen the protection of the area are being implemented with the support of a GEF funded Biodiversity Protection Project. Because of its unique bio-diversity, special care was taken during the mapping activities not to disturb the unique flora and fauna. Teams were brought in by helicopter so as to avoid the need to cut pathways through the forest. When overland travel was necessary, river and stream channels were followed for the same reasons. No chemicals or noxious substances were used in the research. Prospecting for mineral deposits, of a kind the Requestors allege took place, simply did not occur. The funds spent thematically mapping in the Reserve represent much less than 1% of the total Project cost. Prospecting for mineral deposits would have involved taking many more samples, soil sampling, ground geophysics, digging of pits and cutting of trenches, and drilling auger and diamond boreholes. None of these techniques were used because the Project is thematic mapping of a regional character, not prospecting. Teams took samples of sediments of approximately 100 grams each from the bottom of streams over a total survey area of 10,000 square kilometers. (For further information on this, please see Annex A, Description of the Thematic Mapping Activities). In fact, the letter dated 20 October 1999 of CEDENMA, an umbrella Ecuador environmental NGO, which is appended to the Request filed by the claimants, acknowledges that no environmental damage or destruction has been caused by the thematic mapping activities.

21. The thematic mapping teams were under strict orders not to open pathways in the protected area, and the Project officials did not get evidences, from the INEFAN park rangers who supervised the activity in the field or from other sources, that such pathways had actually been opened to access the protected area. However, the Requestors claimed in a meeting with Project and Bank staff on November 12, 1999 that pathways had been opened. The Project Coordinator agreed to follow up and offered to implement any necessary corrective measures at all sites where damages caused by the mapping teams might be demonstrated.

22. The Requestors allege that publication and diffusion of the thematic maps will lead to pressure from large companies to open up the protected areas to mining and/or to an invasion of small artisanal miners that the Government would be unable to control. We would repeat the explanations above: thematic mapping is not adequate nor designed to “identify” specific mineral deposits. Geo-chemical values indicated on the maps (and in the electronic database) reflect a regional background value and could not by themselves be used without further exploration to put mines into production. Thus, to assume that mining activities would take place as a result of the Project is simply speculation.

23. But, even assuming that a mineral deposit is found, the law of Ecuador classifies the Cotacachi-Coyapas area as an ecological reserve. Under Article 87 of the Mining Law, exploitation activities in Ecological Reserves are not permitted<sup>8</sup>. Furthermore, Article 19 of the environmental regulations for mining activities in Ecuador, which were developed with the assistance of the Project, specifically prohibits any mining activities in “national patrimony protected areas”<sup>9</sup>. Even in those areas of the country where mining is allowed, thorough and complete environmental impact statements and consultation with the local community are required prior to the issuance of any mining license. This process is designed to identify problem areas and mitigation measures before mining is allowed to proceed. It is significant that one of the important contributions of the PRODEMİNCA Project has been to provide technical assistance to the Government to reinforce the dispositions of the new Mining Law relative to environmental impact studies, public consultation, and stringent controls prior to any mining taking place. The PRODEMİNCA Project has also been instrumental, as one of its key objectives, to strengthen and improve Government capacity to administer the sector. For instance, the Project has assisted the Government to create and support DINAPA, a separate unit in charge of environmental protection within the Ministry of Energy and Mines, as well as the Mining Environment Unit (UAM), a specialized sector agency under the Sub-Secretary of Mines. In addition, the Project has assisted in the drafting of environmental norms, standards, and regulations for mining activities, as well as supporting a GIS based Environmental Information and Management System (EIMS).

## **B. Claims Related to Alleged Non-Observance of Bank Operational Directives**

24. **Requestors’ Claim 3.** *The Project violates the Bank’s operational and procedural directives inter alia concerning: Environmental Assessment; Wildlands/Natural Habitats; and Project Supervision.*

25. **Management Response.** Management is of the opinion that, throughout Project preparation, appraisal and implementation, the relevant Bank operational directives, policies and procedures have been complied with.

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<sup>8</sup> The only exception possible would be a special decree of the President of Ecuador declaring such activities to be in the national interest.

<sup>9</sup> See Article 19, “Reglamento Ambiental Para Actividades Mineras en La Republica del Ecuador”, 1998.

### Operational Directive on Environmental Assessment

26. The Requestors claim that the Bank has not complied with OD 4.01<sup>10</sup> on Environmental Assessment by: (i) not including analyses and mitigation plans for potential impacts on protected areas (specifically the Cotacachi-Cayapas protected area); and (ii) not having involved and taken into account the opinion of potentially affected people and NGOs. Management submits that the allegation of non compliance is not supported by the evidence.

27. Environmental Assessment preparation. Management is of the opinion that the Project was prepared and appraised in complete compliance with OD 4.00, which was applicable at the time, as well as 4.01 (which is referred to in the Request).

28. During the preparation phase of the Project, the Environmental Assessment (EA) process was initiated. A sectoral EA reviewed (a) sector investment alternatives; (b) the effects of sector policy changes; and (c) institutional capacities for environmental review, implementation and monitoring at the sector level. This work was undertaken by Swedish consultants and under TORs agreed between the Borrower and the Bank. The assessment was carried out from December 1990 to June 1991 and the Report<sup>11</sup> issued in June 1991. The recommendations of the report were used extensively in the Project design. The EA process continued until the end of 1992, and complemented by independent studies conducted by the Guayaquil Polytechnic Institute (ESPOL), several local consultants' reports, and an independent appraisal undertaken by consultants to the United Kingdom Overseas Development Agency which is a co-financiers of the Project. The draft EA - Environmental Impacts and Measures for Environmental Control - was reviewed by LATEN and commented on October 9, 1992. The EA document was released<sup>12</sup> for public consultation in November 1992. All Project documents were cleared by LATEN on March 25, 1993. A summary of the Environmental Assessment dated January 1993 was circulated to the Executive Directors of the Bank. The documents relevant to the EA process are listed in Annex E.

29. The Project as a whole is classified as an "A" category project, principally as a result of the sub-components which deal with a) containment and neutralization of hazardous mining wastes and, b) development assistance to small scale mines. The Environmental Assessment prepared in 1992 quite properly focuses on the impacts and control of contamination generated by small scale mining in Ecuador, the social and economic impacts on local communities and the possible negative impacts that contamination from small scale mining could have on banana plantations and shrimp farming, both of which generate substantial incomes for the local and national economies.

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<sup>10</sup> The Initial Executive Project Summary for the Project was issued in April 1990. Accordingly, the Bank's environmental policy that is applicable to the Project is the one that was applicable in April 1990, namely OD 4.00, Annex A, issued on October 31, 1989. The provisions of OD 4.01, issued in October 1991, would only apply to the Project where appropriate and feasible (OD 4.01, cover note, para. 4).

<sup>11</sup> The Project EA was prepared as the second of a series of three studies conducted by the Swedish Geological (SGAB) under a grant of BITS: Study 2, vol.1 - Environmental Impact and Measures for Environmental Control.

<sup>12</sup> The independent studies mentioned were also disclosed, except, because of commercial reasons, the ESPOL report.

30. The nature of the other six sub-components of the Project, such as mining information systems, mining cadastre, and geological and thematic mapping, were not considered to merit classification “A” since they were in the nature of studies and information generation, that would not by themselves entail any diverse or significant environmental impacts. While Bank staff should examine the entire Project as to its compliance with Bank policies, different components require different approaches<sup>13</sup>.

31. A social study of the impacts of mining in Ecuador was carried out as part of the environmental assessment of the Project<sup>14</sup>. In light of this overall study and the negligible impacts that thematic mapping would have in the areas where it would take place, a separate social assessment of particular areas was not deemed necessary. However, it should be noted that a principal objective of the Project is to build capacity within the Government institutions to implement the new mining legislation and ensure that operations are in compliance with relevant environmental safeguards.

32. The Requestors claim that the environmental assessment did not include mitigation plans for potential impacts on protected areas. This allegation confuses the distinction between an overall Environmental Assessment, as required by Bank policies for the Project as a whole, and a site specific Environmental Impact Assessment as required by Ecuador Government regulations if mining activities are proposed to take place. The former was prepared in full compliance with Bank policies. The Requestors erroneously maintain that the Project supports mining activities which, under the Government of Ecuador’s regulations, require a site specific environmental impact assessment. Contrary to the Requestors’ allegation, in the area of concern to the Requestors, the Project supports only thematic mapping, not construction or operation of facilities. Under the Government’s regulations (as well as the Bank’s policies and international practice), environmental impact assessments are not required in respect of such regional thematic mapping activities. By contrast, if a private mining company were to request a mining license in areas where mining would be permitted, the Ecuador Mining Law would indeed require a site specific environmental impact statement cleared by the relevant authorities prior to issuance of the license.

33. Consultation process during Project preparation, appraisal and implementation. The carrying out of consultation is an important aspect of Project preparation and implementation. In this respect, the Requestors are not correct in claiming that “only one ‘non representative’ NGO” was consulted during the environmental assessment. Consultation and involvement of affected groups and non-governmental organizations were conducted according to the requirements of the OD 4.00 (see Annex B regarding

<sup>13</sup> See paragraph 18 of OD 4.00, Annex A, which states that: “Projects/Components should be screened at identification ...and assigned one of the following categories based on the nature, magnitude, and sensitivity of environmental issues:....

Category C: environmental analysis is normally unnecessary.”

<sup>14</sup> López, F., 1991. Componente Social del Estudio Preparatorio 2, Pequeña Minería y Control del Medio Ambiente”.

consultation). The following organizations<sup>15</sup> were consulted during Project preparation, appraisal and implementation:

- NGO Fundacion Ecologica Arco Iris, Loja;
- NGO Maquipucuna, Quito;
- NGO Fundacion Natura, Quito;
- NGO Darwin Foundation, Quito;
- National Federation of Ecuadorian Indigenous Peoples (CONAIE);
- National Federation of Ecuadorian Amazon Indigenous Peoples (COFENIAE);
- FODEP-U.T.P.L. (Belgian NGO affiliated with Universidad Técnica de Loja);
- Fundación CENDA, Loja;
- CEDENMA;
- OIKOS;
- TerraNova

Organizations such as Fundación Natura and CONAIE have gained a very high recognition within and outside Ecuador and can certainly not be qualified as “non representative”. In addition, throughout the implementation of the Project, consultation meetings, seminars, presentations and other activities have been organized for NGOs, local communities, and the public at large. These events in general were useful to convey Project objectives, activities and results. In addition, if Project activities concerned a particular community, the local authorities were fully apprised as, for instance, was the case in the Intag region, where meetings were held with the mayor of Cotacachi in March 1998 and with the population of the Intag area at a popular assembly in April 1998.

34. Consultation process regarding thematic mapping during implementation. The communication and consultation process conducted during the implementation of the thematic mapping activity includes the two following different steps: a) before the activity took place and b) once the information has been collected and processed.

35. Geological Survey Organizations (GSOs) consider it standard practice to inform beforehand the population living in the areas where investigation is intended to be carried out. Since August 1995 when this subcomponent was initiated, national and regional authorities were informed through formal meetings, and the population at large through press articles and/or conferences open to the public. Before going into an area, the following steps were followed by the Project:

- Obtaining the necessary permits and approvals from the relevant government agencies: INEFAN and, recently, the Ministry of Environment (Annex D).
- Informing the national and provincial government authorities through formal meetings or seminars. The local population were informed of the mapping through press articles or conferences (known as popular assemblies).

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<sup>15</sup> Representatives of additional NGOs have been met with in the process related to the Cotacachi-Cayapas complaint by the Requestors, including DECOIN, Acción Ecologica, Centro de Investigaciones de los Bosques Tropicales (CIBT) and Corporación de Defensa de la Vida (CORDAVI).

- Contacts were systematically established with local authorities and representatives of local communities before entering the successive areas to be mapped (e.g. “tenientes políticos”, presidents of “juntas parroquiales”, church or other representative organizations) to inform them about the reason of the survey and of the collection of samples.

As a result of these informative meetings, Project management took into account the views expressed in planning the mapping work (see Annex B).

36. The Requestors suggest that Project and Bank staff agreed with them that the consultation process had not been adequate. This is a misrepresentation or possibly a misinterpretation of what was said during the meetings held with the Requestors in October and November 1999. During those meetings, Project and Bank staff were looking for ways to improve the dialogue and the consultation process with the Requestors and to respond to their concerns regarding the issues raised by them.

37. A number of enhancements to the consultation process related to thematic mapping were introduced in November 1999. The Project social team designed a specific consultation program in order to ensure that all stakeholder concerns are represented and heard regarding the management and use of the information covering protected areas and their buffer zones. Further consultations with the local communities will take place and, in particular, with the communities bordering the Cotacachi-Cayapas protected area. A series of consultation workshops is planned with the Cotacachi local communities in the year 2000. The outcome of the consultation will provide guidance to the Government on how best to manage and make use of the information. The conduct of this program, which has now been initiated, should respond to the concerns of the Requestors regarding this particular issue.

#### Operational Directive on Wildlands

38. The Requestors claim that the Bank has violated OPN 11.20 (now OP/BP 4.04) by supporting a project which implies the significant conversion or degradation of critical natural habitats.

39. Bank Management is of the opinion that OPN 11.20 is not applicable to this Project because the objectives of the Project was not to convert wildlands into intensive land and water uses. The Project is primarily a technical assistance Project. The thematic activities themselves do not have any physical impact on the environment in general or on the wildlands/natural habitats in particular. They are not intended to alter the protected area character of the Cotacachi-Cayapas Ecological reserve. Finally, for the reasons explained above, any indirect potential impacts on wildlands are in the realm of the speculative.

#### Operational Directive on Project Supervision

40. The Requestors claim that the Bank has not adequately supervised the Project and thus contributed to cause prejudice to affected persons, specifically with respect to the activities undertaken in the Cotacachi region.

41. Bank Management is of the opinion that supervision has been carried out in compliance with OD 13.05 from Project inception. The Bank task team has supervised the Project through frequent supervision missions, in many cases involving field visits, and in-depth evaluations at annual review meetings with participation of co-financiers and other agencies involved in Project implementation (Annex D); as well as through continuous written, verbal and electronic mail exchanges with authorities, Project staff and consultants. The execution of the implementation plan as described in the Project MOP and agreed in the Loan Agreement – including the survey of protected areas – was carefully monitored. In addition, adjustments to the implementation plan have been proposed to the Borrower when required by changing circumstances or improvement of knowledge and understanding of specific situations (including consideration of the evolution of Bank policies). For example, the potential for the multi-use of the thematic information was further strengthened in September 1995 and budget and operational arrangements were adjusted to ensure that the quality and characteristics of data to be collected would be adequate to realize this additional potential<sup>16</sup>.

42. Project supervision included the participation of environmental and social specialists. ODA/DfID and SIDA provided environmental and sector environmental experts to participate to the annual review meetings. In addition, several experienced environmental specialists were part of the Swedish team and supervised or implemented Project activities. While not specifically mentioned in the Project MOP, stronger emphasis on social aspects has been given during implementation, and well-known international and national social scientists contracted to supervise or implement Project activities within this field (see list in Annex D). Since September 1999, two social specialists from the Bank with experience in the mining sector have been incorporated into the task team, including one from the Resident Mission in Quito. They participated in the last November annual review meeting and supervision mission, and in two of the meetings with the Requestors.

43. The Project has been subjected to an evaluation of the Bank's Quality Assessment Group (QAG) in July 10, 1999. The QAG rating on supervision was satisfactory.

#### Operational Directive on Indigenous People

44. The requestors themselves do not allege any infraction of the Bank's policies on indigenous people. The possibility that OD 4.20 might be of relevance to the Request was, though, flagged by the Inspection Panel in its Notice of Registration.

45. The Requestors do not claim to be indigenous or to represent the interests of any indigenous group, nor do they allege any infraction of the rights of indigenous people. The population of the Intag area, which is the area of the claimants, is reported to consist more or less entirely of settlers, who are considered "colonists" and have made the area their home. There are no indications of any organized indigenous communities within this area. A few additional colonists, small-farm families, have also established themselves in the altiplano zone within the protected area.

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<sup>16</sup> Representatives of CAAM – a predecessor of the present Ministry of Environment - and INEFAN participated to the workshop in which this issue was discussed.

46. More broadly, the design of the Project does include studies on the relationship between small-scale mining and indigenous communities. The small-scale mining component of the Project, however, is not a subject of the Request, and refers to an entirely different region of the country (the South West).

### **C. Bank's Responsiveness to the Requestors**

47. Contrary to the claim of the Requestors, the Bank has been responsive to their complaint regarding their perception of violations of Bank policies prior to the filing of the Request on December 13, 1999. The Requestors did not approach the Bank task team before a September 1999 international e-mail campaign by non-Ecuadorian NGOs regarding the perception that the Bank was financing mining activities in a protected area (see point 9. of the Request). The Bank task team and the Project coordinating unit took the initiative and asked CEDENMA for a meeting to clarify the problem. The meeting was held in CEDENMA's office on October 14, 1999 with the participation of representatives of the Requestors together with other NGOs. A second meeting, requested by DECOIN, took place in Quito (Hotel Colón) on November 4, 1999. A week later, the Bank team and the Project coordinator asked for a meeting and traveled to Cotacachi on November 12 to meet the Requestors<sup>17</sup> and discuss the situation<sup>18</sup>. The mayor of the municipality was also consulted in a separate meeting. At both subsequent meetings with the Requestors, the Bank team informed them that a consultation process would be conducted prior to the decision on how to manage and share the information - still to be analyzed and processed by DINAGE and BGS – covering the Cotacachi-Cayapas Ecological Reserve. The commitment to send the Requestors documents related to the EA was made on November 12 and complied with on November 19 upon return to headquarters (for details on the chronology, see Annex C).

#### Request not to Disclose the Thematic Information on Protected Areas

48. The Requestors are asking the Bank not to disclose the thematic data which covers the nearby protected areas, stating that the public release of this information would trigger an invasion of illegal small scale miners and/or motivate larger mining companies to pressure the Government to authorize them to develop mining in the relevant area.

49. As noted earlier, consultations will be pursued during 2000 regarding the information generated by the thematic mapping subcomponent. This process would help to identify the stakeholders and ensure that all are heard. It would also help the parties to optimize the use of the information to improve land management and the protection of the Cotacachi-Cayapas Ecological Reserve.

50. Bank Management believes that the public disclosure and use of the thematic information offers benefits to the country as a whole as well as to the local communities around the Cotacachi-Cayapas area, as opposed to the alternative of keeping such data for

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<sup>17</sup> Representatives of Acción Ecológica also participated to this meeting.

<sup>18</sup> In addition, a casual meeting was held on November 13 at the Requestors' office in Apuela during a visit to the Intag area.



restricted use under the custody of a governmental agency<sup>19</sup>. As a matter of fact, the description of the Project in the Loan Agreement envisages the production and the publication of the information. An invasion of illegal miners or pressure from mining groups, because of the availability of the information, is speculative. Moreover, from a mineral resources point of view, the new thematic information would not increase dramatically what is known about the potential of the area<sup>20</sup>. The really important new contribution to be provided by the thematic information produced under the Project is its multi-purpose use for land and environmental management.

51. Management also notes that the responsibility for ultimately deciding to publish the information or not rests with the Government of Ecuador. The Government is pursuing a process of consultation on this matter, which provides a more appropriate channel for the Requestors to express their views than a request to the Bank.

## V. Conclusions

52. In light of the above, Bank Management concludes that:

53. The Requestors' rights or interests have not been, and are not likely to be, adversely affected in a direct and material way. The Intag Valley where the Requestors reside was not thematically mapped, therefore they can hardly claim that their interests have been adversely affected. Thematic mapping is recognized as a basic activity that is carried out by almost every government in the world. Possible indirect damage that could be caused as a result of the information compiled from the mapping is entirely speculative. There has been no direct damage on the environment as a result of the mapping. The coverage of protected areas was specifically recommended at Project appraisal for its value added for purposes of environmental monitoring and planning.

54. Secondly, the Request fails to demonstrate that the Requestors' rights or interests have been or are likely to be adversely affected directly as a consequence of the Bank's violation of its policies and procedures. The Project has complied with relevant Bank policies and procedures. Thematic mapping on a regional scale is an investigation activity which does not require specific area based environmental assessment, under Bank policies (OD 4.00), or environmental impact assessment, under Ecuadorian legislation. As provided in the EA and appraisal, communities have been informed prior to mapping and consultations are ongoing over the release of the information. With regard to OPN 11.20, the Project in no way disturbs or alters the existing environment and less so protected areas. Supervision of the Project (OD 13.05) has been regular, effective and consistent. It has ensured that no damage would be caused to protected areas by of thematic mapping.

55. For the reasons shown above, Management respectfully submits that the Request does not meet the requirements for Inspection in Resolution 93-10 of September 22,

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<sup>19</sup> Also, leakage of information, voluntary or not, cannot be excluded and has been a rather common "practice", particularly in state agencies, worldwide.

<sup>20</sup> For example, it can be mentioned that the existence of platinum placer deposits in the rivers running to the north west of the Cotacachi-Cayapas area is common knowledge since pre-Colombian times. This knowledge has not caused the development of illegal mining around or within the protected area.

1993, establishing the Inspection Panel, or in the August 19, 1994 Operations Procedures of the Panel.

## **Annex A: History and Significant Dates of the Project**

### Summary of Project Implementation

1. After a slow start in 1994, the Project gathered momentum in 1995 and 1996. In particular, small-scale mining assistance program, environmental monitoring, the establishment of an improved mining rights management system and of a GIS based sector information system as well as the geological and thematic mapping activities were initiated and progressed well. Most regulations to the Mining Law were drafted during this period, including the environmental regulations for mining activities. When the Bucaram administration assumed office in August 1996, disagreements over Project implementation strategy emerged and political interference and staff changes affected implementation. The mid-term review (October, 1996), while re-confirming the Project objectives, could not resolve these issues. The Alarcon administration (February 1997 – August 1998), restated the Government commitment to the Project objectives, and slow progress was made to reform the legal framework (in particular the enactment of the environmental regulations for mining activities). Under the Mahuad administration (August 1998 – present), a strongly committed team was appointed to manage the sector and more decisive actions to achieve the Project objectives are under implementation. The inter-agencies coordination improved, particularly with respect to the Ministry of Environment. In general, progress has been slow but relatively satisfactory with respect to the modernization of the legal framework; is picking up with respect to institutional reform, and satisfactory with respect to the technical components including the thematic mapping. The Project has satisfactory ratings in terms of Development Objectives and Implementation Progress. The closure date of the Project is scheduled for June 30, 2000.

### Description of the Thematic Mapping Activity

2. The entire survey area of approximately 36,000 square kilometers (about the same size as the Netherlands) funded under the Project corresponds to that of the Cordillera Occidental between latitudes 4°S (southern Ecuador) and 1°N (the Colombian frontier) (see Map). The area of relevance to the Request to the Inspection Panel covers some 10,000 square kilometers (about the same size as the State of Connecticut), of which approximately 2,000 square kilometers are designated as a “protected area” (the Cotacachi-Coyapas Ecological Reserve). As part of the thematic mapping, geo-chemical reconnaissance of this area was undertaken systematically, with an average sampling density of stream sediments of approximately one sample per 2.6 square kilometers. The survey procedures utilised are universally recognised as of negligible environmental impact. With respect to the Cotacachi-Cayapas Ecological Reserve, specifically, sampling teams were transported by helicopter, thus avoiding the requirement to cut footpaths through primary vegetation. No mechanical or motorised equipment was carried or used. Samples of stream sediment were recovered by hand, to a maximum weight of 100 grams. The density of one sample every 2.6 square kilometers is roughly equivalent to removing one handful of sand in a surface area the size of the Mall in the City of Washington extending from the US Capitol to the Potomac River. Expert local guides were used throughout the process. Permission to enter area, as required under Ecuadorian legislation, was provided by INEFAN and the Ministry of Environment

(Annex D) and staff of INEFAN (the national park service of Ecuador) accompanied the field teams and provided supervision. The local authorities and population were informed in advance.

### Significant Dates of the Project

Event	Date
Ecuador mining sector review	February 1989
Identification mission	September 1989
IEPS meeting	April 1990
EA Terms of reference	October 1990
Preparatory studies (Swedish Grant), including EA	November 1990 – June 1991
EA report completed (original version)	June 1991
Pre-appraisal mission	April 1992
Decision meeting (Final IEPS)	November 1992
Appraisal mission	December 1992
EA Executive Summary circulated to EDs	January 1993
Invitation to Negotiate	April 1993
Negotiations	August – September 1993
Board Approval	October 1993
Signing of Loan Agreement	March 1994
Effectiveness	July 1994
Agreement with Swedish Environmental System consortium (under SIDA Grant)	November 1994
Agreement with British Geological Survey (under ODA Grant)	March 1995
Inception of thematic mapping	August 1995
Completion of thematic mapping field investigations	November 1999
Final results from thematic mapping (scheduled)	June 2000

The principal steps followed during the EA preparation process are listed below:

Procedure	Date
EA category screening	June 1990
EA TORs agreed between the Borrower and the Bank	October 1990
EA main investigation (financial support from Swedish Government)	December 1990 to June 1991
EA completed, original version	June 1991
Disclosure of EA for public consultation	November 1992
Revised EA English summary circulated to EDs	January 1993
Project's EA summary included in the MOP.	March 1993

## **Annex B: Project Initiatives on Consultation**

1. Consultation requirements in Project documents. The EA and the Project MOP documents do not include specific requirements regarding consultation procedures to be carried out in relation to the implementation of the thematic mapping sub-component. ODA, the activity co-financier, considers it as environmentally neutral, but express its concerns with respect to potential expanded mining activities. The agreement between ODA and the Government of Ecuador (GOE) addresses this issue through recommending to the GOE to put special emphasis on the institutional strengthening of the monitoring and control capacity of DINAPA, an agency under MEM and a beneficiary of the PRODEMINTCA project, and responsible for the control of compliance of environmental mining regulations and procedures. As recommended in all mentioned documents, a particular attention was given to the inter-agency coordination throughout Project implementation, especially with INEFAN<sup>21</sup>, CAAM and, after it was created in September 1996, the Ministry of Environment. LATEN, in a memo commenting the “yellow cover SAR meeting” of January 28, 1993, recommends to include the thematic mapping of protected areas and indigenous reserves and, also to conduct consultation with NGOs, indigenous and community groups when a first version of the geological and thematic maps are ready”.

2. The communication and consultation process conducted under the thematic mapping activity includes the two following different steps:

- a) Before the activity took place; and
- b) Once the information has been collected and processed, and drafts are ready.

3. Communication process before going into an area to be mapped. Geological Survey Organizations (GSOs), such as BGS and DINAGE, consider standard practice to inform the population living in the areas where investigations, including thematic mapping, are intended to be carried out. Since August 1995 when this subcomponent was initiated, the Project informed national and regional authorities through formal meetings, and the population at large through press articles or conferences open to the public. Before going into an area, the following steps were followed by the Project:

- Obtaining the necessary permits and approvals from the relevant government agencies: INEFAN and, since September 1998, the Ministry of Environment.
- Informing the provincial government authorities and communities through formal meetings, seminars or the media.
- Contacting and informing established local authorities and representatives of local communities.

4. Before entering the successive areas to be mapped, the Project staff systematically contacted local authorities or community representatives to inform them about the reason of the survey and of the collection of samples. In most cases, people such as “tenientes

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<sup>21</sup> INEFAN is included in the Ministry of Environment since September 1998.

políticos”, presidents of “juntas parroquiales”, church, or NGOs were contacted (see list below).

5. As a result of these informative meetings and communications, Project management took into account the views expressed in planning the mapping work. In the specific case of the Intag Valley, the Project staff visited the mayor of Cotacachi, Mr. Auki Tituaña, in February 1998 to inform him about the investigation. He suggested that Project staff should directly inform the Intag Valley communities, living in the buffer zone to the south and south-west of the protected area. A popular assembly was held on April 4, 1998, to which the Project coordinator and the Head of BGS mission in Ecuador participated. Most of the 50 assembly participants were indifferent, while a small group was supportive and representatives of DECOIN expressed their opposition to the thematic mapping activity. As a result, Project management and the thematic mapping executives took the decision in May 1998 not to survey the valley area, where the members of the Requestors groups are resident. This decision was later reconfirmed after the meetings with CEDENMA and the Requestors in October and November 1999, after consultation with the social specialists working with the Bank team.

6. On the other hand, it was felt that the Requestors could not be accounted as being the sole or most influent representative voice regarding the Cotacachi-Cayapas Ecological Reserve area itself. According to Ecuadorian Law, the management of the Cotacachi-Cayapas protected area is under the responsibility of INEFAN and of the Ministry of Environment. The authorization to investigate the protected area was confirmed by INEFAN (December 1998) and, later, by the Ministry of Environment (August 1999).

7. Consultation process after the collecting and processing of information. A number of enhancements to the consultation process related to thematic mapping were introduced. In November, 1999 the Project social team designed a specific consultation program in order to ensure that all stakeholder concerns are represented and heard prior the decision whether to release the information covering protected areas and their buffer zones. A social specialist and a communications specialist were engaged in December 1999 to carry out the program. Further consultations with the local communities will take place and, in particular, with the communities bordering the Cotacachi-Cayapas protected area. For instance, a series of consultation workshops is planned with the Cotacachi local communities in the year 2000. The outcome of the consultation will provide guidance to the Government in its decision to make this information publicly available. The conduct of this program, which has now been initiated, should respond to the concerns of the Requestors regarding this particular issue.

**Sample List of Information Meetings Conducted with Local Communities**

<b>Place</b>	<b>Person(s)</b>	<b>Date</b>
<b>Azuay Province (approx. 250 km south of Quito)</b>		
Quito	INEFAN	May 5, 1996 and September 7, 1996
Naranjal	“Teniente politico”	June 20, 1996
Chaucha	“Teniente politico” (San Antonio)	August 30, 1996
	President of the Commune, Angas	
Carmen de Pijili	President of the mining community	June 13, 1996
San Fernando	“Jefe de Comuna” of San Pablo de Cebadas	August 28, 1996
San Francisco de Gualleturo	“Jefes de las Comunas” of Purubin, Gulag Alto and Cargua	October 2, 1996
Santa Rosa de Flandes	“Jefe de Comuna” of San Pablo de Aguas Calientes	October 26, 1996
Felipe de Molleturo	“Teniente politico”	July 17, 1996
	“Jefes de Comunas” of Pan de Azucar, and Paredones	July 20, 1996
Pancho Negro	“Jefe de Comuna” of Cacao Loma	August 1, 1996
<b>Bolivar Province (approx. 120 km south of Quito)</b>		
Moraspungo	“Teniente politico” of Facunda Vela and Moraspungo	May 21, 1997
	“Jefe politico” of San Luis de Pambil	August 5, 1997
	“Cabildo” president of Matiabi Alto	August 5, 1997
Simiatug	“Cabildo” president of Simiatug (and of Fundación Runacunapac Yachana Huasi, and Director of Fundación Ecuatoriana Progresum Popularum)	August 4, 1997
San José de Camaron	“Jefes de Comunas” of San José de Camaron, Chazo Juan, Mulidiahuan, La Palma, Pambabuella, and “Teniente politico” of Salinas	September 30, 1997
<b>Pichincha Province (N of Quito)</b>		
Reserva Maquipucuna	Director of the Maquipucuna Protected Forest area, and INEFAN officers. Comment: on January 28, 1998, an agreement is reached between the Project and the NGO to survey the reserved area; on November 19, 1999 the collected information is provided to the NGO.	August 4, 1997
<b>Imbabura Province (about 80 km north of Quito)</b>		
Cotacachi	Mayor of the Cotacachi municipality	March 5, 1998
Apuela	Intag Popular Assembly	April 4, 1998
Imantag	President of Commune and school	November 11, 1998

	teachers from Irubi; “teniente politico” of San Blas	
La Merced de Buenos Aires	“Teniente politico” and president of the “Junta Parroquial” of La Merced	May 6, 1998
	“Jefe de Comuna”	June 15, 1998
Rio Santiago	INEFAN park rangers	June 6, 1998
Rio Cayapas	INEFAN park rangers	December 11, 1998
	Presidents of Communes from the Chachis y Negras area: Corriente Grande, Gualpi, Zapallo Grande, San Miguel de Telembi, Charco Vicente and others	December 11, 1998
Cuellaje	INEFAN park rangers	September 13, 1999



### Annex C: Sequence of Events Related to the Cotacachi-Cayapas Area

Date	Event
February 10, 1998	The Project Coordination Unit meets with INEFAN to inform the background and scope of the investigations planned to be conducted in the Cotacachi-Cayapas area
February 17, 1998	The SSM requests to INEFAN authorization to conduct investigations in the Cotacachi-Cayapas area
February 19, 1998	Meeting between DECOIN and BGS head of Mission at DINAGE. BGS explains the scope of thematic mapping.
February 23-24, 1998	The PCU contacts NGOs active in the Cotacachi-Cayapas area (Ibis, Terranova)
February 25, 1998	INEFAN authorized the investigations in the Cotacachi-Cayapas area
March 5, 1998	The PCU meets with Auki Tituaña, mayor of Cotacachi
April 4, 1998	The Project coordinator and the Manager of the BGS group in Ecuador participate to a Popular Assembly of the Intag communities, including the Requestors in Apuela (about 50 participants).
May 4, 1998	Inception of field work in the area. Decision not to map the Intag Valley area.
May 4 to 22, 1998	First field investigation campaign ( <i>Obs: the campaigns mentioned here are those which include coverage of part of the Cotacachi-Cayapas Ecological Reserve and buffer zone</i> )
June 6 to 26, 1998	Second field investigation campaign
July 13 to 31, 1998	Third field investigation campaign
Aug. 17 to Sep. 14, 1998	Fourth field investigation campaign
Sept. 8 to Oct. 16, 1998	Fifth field investigation campaign
December 10 to 23, 1998	Sixth field investigation campaign
Feb. 15 to March 3, 1999	Seventh field investigation campaign
August 2 to 20, 1999	Eighth field investigation campaign
September 13 to October 12, 1999	Ninth field investigation campaign
October 1 to 5, 1999	Bank management receives about 30 e-mails from non Ecuadorian NGO protesting against what is perceived by them as the funding of prospecting activities in a protected area, the Cotacachi-Cayapas Ecological Reserve
October ., 1999	Response of the Bank to the e-mail campaign
October 14, 1999	Meeting, requested by the PCU, with NGOs member of CEDENMA, incl. DECOIN, in Quito (CEDENMA office)
October 20, 1999	CEDENMA letter to Yolanda Kakabatse, Minister of Environment, summarizing the outcome of the meeting
October 22, 1999	Letter from the PCU to CEDENMA summarizing the outcome of the meeting from the Project point of view.

October 25 to November 28, 1999	Last campaign and end of the thematic mapping activity. Decision to cancel further additional complementary mapping.
November 4, 1999	Meeting in Quito, at DECOIN's request, between the Bank task team leader, DECOIN, CORDAVI and CIBT.
November 12, 1999	Meeting in Cotacachi of Project and Bank staff with representatives of DECOIN and Acción Ecologica (commitment to provide a copy of the initial EA). Separate meeting of Project and Bank staff with the mayor of Cotacachi.
November 13, 1999	Visit of the Intag area by Project and Bank staff, informal meeting with DECOIN representatives in Apuela.
November 19, 1999	Electronic sending of initial EA to DECOIN
November 24, 1999	Sending from Quito of a hardcopy of initial EA to DECOIN PO Box in Otavalo
December 10, 1999	Pick up of documentation by DECOIN at PO Box in Otavalo
December 13, 1999	The Inspection Panel receives a Request to inspect the Project
December 17, 1999	The Inspection Panel registers the Request.

### Annex D: Project Supervision

- D1: List of Project supervision missions;
- D2: List of Project task team leaders
- D3: List of social specialists involved in Project preparation, implementation and supervision
- D4: List of environmental specialists involved in Project preparation, implementation and supervision

#### List of Project supervision missions

Date	Mission's members	Specialties	Comments
<b>Preparation to Appraisal</b>			
2/28 – 3/3, 1989	P. Fozzard	Sr. Geologist	Mining Sector and Potential Review
8/26 – 9/6, 1989	P. Fozzard J. Williams	Task Manager Mining Law Specialist (cons.)	Identification
9/24 – 30, 1989	J. Strongman	Pr. Mining Economist	Reform of mining legislation
10/15 – 20, 1989	J. Strongman	Pr. Mining Economist	Reform of mining legislation
4/30 – 5/7, 1990	P. Fozzard J. Strongman	Task Manager Pr. Mining Economist	
7/29 – 8/4, 1990	P. Fozzard	Task Manager	
11/26 – 12/3, 1990	P. Fozzard	Task Manager	
4/27 – 5/6, 1992	A. Garcia P. Fozzard	Task Manager Sr. Geologist	Pre-appraisal
9/9 – 14, 1992	A. Garcia	Task Manager	
<b>Appraisal</b>			
11/30 – 12/17, 1992	A. Garcia C. Andrews R. Huber Leain-Hong Ding M. Grieg-Gan M, Sassoon	Task Manager Pr. Mining Economist Environmental Specialist Disbursement Specialist Economist, ODA Environmental Specialist, ODA	
<b>From Appraisal to Board Approval</b>			
5/25 – 26, 1993 Gap 93?	P. Meo	Chief LA4TF	
<b>Supervision</b>			
6/27 – 7/2, 1994	A. Garcia	Task Manager	
11/15 – 17, 1994	A. Garcia R. Venkateswaran	Task Manager Principal Economist	
5/5 – 10, 1995	G. Walser	Sr. Mining Specialist	
6/12 – 22, 1995	R. Venkateswaran  G. Walser	Task Manager  Sr. Mining Specialist	Launching Seminar
8/7 – 10, 1995	R. Venkateswaran	Task Manager	
	G. Walser	Sr. Mining Specialist	

<b>Date</b>	<b>Mission's members</b>	<b>Specialties</b>	<b>Comments</b>
9/11 – 26, 1995	R. Venkateswaran G. Walser	Task Manager Sr. Mining Specialist	Annual Review
10/30 – 11/2, 1995	G. Walser	Sr. Mining Specialist	
2/20 – 3/1, 1996	R. Venkateswaran J. U. Richter G. Walser M. Romero	Task Manager Sr. Energy Economist Sr. Mining Specialist Operation Officer (Res. Mission)	
4/29 – 5/3, 1996	G. Walser	Sr. Mining Specialist	
7/29 – 8/2, 1996	J.U. Richter G. Walser	Task Manager Sr. Mining Specialist	
9/23 – 26, 1996	G. Walser	Sr. Mining Specialist	
10/18 – 26, 1996	J.U. Richter G. Walser J. Lovell G. Walduck	Task Manager Sr. Mining Specialist Environmental Specialist, ODA Sector Specialist, ODA	Annual Review
	A. Danielsson R. Liljequist	Project Officer, SIDA Environmental Sector Specialist, SIDA (cons.)	
3/31 – 4/5, 1997	J.U. Richter	Task Manager	
5/9 – 16, 1997	J.U. Richter C. Andrews G. Walser M. Molares	Task Manager Pr. Mining Economist Sr. Mining Specialist Sr. Counselor	Mining and the Community Conference
6/16 – 20, 1997	J.U. Richter G. Walser	Task Manager Sr. Mining Specialist	
10/3 – 10, 1997	J.U. Richter G. Walser	Task Manager Sr. Mining Specialist	
11/10 – 14, 1997	J.U. Richter G. Walser G. Walduck A. Zamora R. Evans R. Liljequist  H. Gustavson	Task Manager Sr. Mining Specialist Sector Specialist, ODA Policy Specialist, ODA (cons.) Regional Manager, BGS Environmental Sector Specialist, SIDA (cons.) Environmental Specialist, SIDA (cons.)	Annual and Mid- Term Reviews
3/10 – 13, 1998	J.U. Richter G. Walser	Task Manager	
9/7 – 11, 1998	J.U. Richter	Task Manager	
11/16 – 23, 1998	J.U. Richter G. Walser G. Walduck H. Gustavson  B. Lundberg  H. Carlson	Task Manager Sr. Mining Specialist Sector Specialist, DFID Environmental Specialist, SIDA (cons.) EA Specialist, SGAB President, SGAB	Annual Review
4/16 – 20, 1999	G. Walser	Task Manager	
4/ 23-25, 1999	C. Andrews	Pr. Mining Economist	
6/21 – 29, 1999	G. Walser	Task Manager	

Date	Mission's members	Specialties	Comments
10/14 – 17, 1999	G. Walser	Task Manager	
10/29 – 11/14, 1999	G. Walser R. Kunanayagam P. Larreamendy W. McCourt U. Akesson K. Gonzalves R. Hofner	Task Manager Mining Social Specialist Social Specialist (Res. Mission) Regional Manager, BGS/DFID Project Officer, SIDA Regional Specialist, SIDA Regional Manager, SGAB	Annual Review

List of Project's task team leaders

Name	Specialty	Unit	Period
Peter Fozzard	Sr. Geologist	AFTIE	February 1989 – December 1991
Aura García	Sr. Project Officer	LA4TF	January 1992 – November 1994
R. Venkateswaran	Sr. Project Officer	LA3IN	December 1994 – February 1996
Joerg Uwe Richter	Sr. Energy Economist	LA3IN	March 1996 – January 1999
Gotthard Walser	Sr. Mining Specialist	EMTIM	February 1999 - present

List of Social Specialists involved in Project implementation

Name	Specialty	Activity	Period
M.E. Araujo	Psychologist	Small scale mining, local communities, gender issues	1997-2000
A. Astorga	Pedagogue	Consultation/communication	2000
F. Campana	Sociologist	Small scale mining, gender issues	1999-2000
F. Carpio	MD	EA	1991
M. Carvajal	Sociologist	Small scale mining, indigenous people	1995-1996
J.C. Cuellar	Sociologist	Small scale mining, local communities	1997-1998
J. Espin	Anthropologist	Indigenous people and small scale mining	1995-1996
R. Kunanayagam	Anthropologist (EMTIM)	Supervision	1999-2000
P. Larreamendy	Sociologist (LCC4C)	Supervision	1999-2000
F. Lopez	Sociologist	EA	1991
C. Mantilla	Sociologist	Small scale mining, gender issues	1999-2000
R. Mashinguiash	Sociologist (Shuara community)	Indigenous people and small scale mining	1995-1996
J. Pereira	Anthropologist	Small scale mining, indigenous people	1995-1996
J. Rivadeneira	Sociologist	Small scale mining, indigenous people	1995-1996
G. Robalina	Sociologist	EA	1991

<b>Name</b>	<b>Specialty</b>	<b>Activity</b>	<b>Period</b>
N. Romero	Sociologist	Small scale mining, local communities	1995-1996
A. Rudquist	Anthropologist	Indigenous people and small scale mining	1995-1996
A. Sanchez	Sociologist	Small scale mining, local communities	1996-2000
M. Tamariz	Anthropologist	Consultation/communication	2000
N. Wray	Anthropologist	Indigenous people and small scale mining	1995-1996

List of environmental specialists involved in the Project

<b>Name</b>	<b>Specialty</b>	<b>Activity</b>	<b>Period</b>
D. Appleton	Environmental geology (BGS)	Thematic mapping	1999-present
A. Bermeo	Environmental Eng.	Project Coordination	1995-present
R. Collins	Environmental Eng. (SECOR)	Tailings management	1998-present
Luis Cornejo	Civil Eng.	Env. remediation plan	1997-1999
B. Eriksson	Environmental geology (SES)	Env. monitoring	1996-1998
S. Espinosa	Environmental Eng.	Env. management	1999-present
A. Flachier	Biologist	Env. monitoring	1998-present
G. Frederiksson	Geochemist (SES)	Env. monitoring	1996-1999
L. Galarza	Civil Eng.	Tailings dam	1997-1998
J. Galaz	Environmentalist	Env. training	1999-present
J. Giles	Geochemist (BGS)	Thematic mapping	1996-present
F. Halter	Environmental lawyer	Env. regulations	1995-1997
R. Harari	MD	Health and safety	1998-1999
D. Herrera	MD	Health and safety	1998-1999
A. Holgado	Mining Eng.	Safety regulations	1995-1996
M. Kember	Environmentalist (F. Natura)	Env. institutions	1997-1998
L. Landner	Biologist (SES)	EA	1991; 1994-1995
L. Lindstrom	Biologist (SES)	Health monitoring	1996-1998
B. Lundberg	Environmental geology (SES)	EA	1991; 1994-present
T. Lundgren	Geochemist	Acid rock drainage	1995-1999
E. Pillajo	Mining Eng.	EIA	1996-1998
W. Rosero	Informatics Eng.	EIMS	1997-present
F. Sandoval	Environmental Eng.	EIA control	1996-1998
O. Sangfors	Biologist (SES)	Health monitoring	1996-1998
A. Susaeta	Environmentalist	Env. training	1999-present
H. Tarras Walberg	Geochemist (SES)	Env. management	1999-present
P. de Vries	Informatics Eng.	EIMS	1997-present
A. Vaca	Hydrogeologist	Env. monitoring	1996-1998
G. Vaca	Environmental Eng.	EIA control	1994-present
M. Williams	Geochemist (BGS)	Thematic mapping	1996-present

## Annex E: Documents Supporting Management Response to the Inspection Panel

### E1: Documents relevant to the EA process

Type of Document	Subject	Author	Date
TOR	Terms of Reference of three studies for Project preparation, including EA	MEM	October 23, 1990
Office Memorandum	Clearance by GOE for release of EA	P. Fozzard, TTL, AFTIE	February 28, 1991
Report	Mining Sector Institutional Strengthening - Study 1	Swedish Geological	June 30, 1991
EA Report	Environmental Impact and measures for Environmental Control - Vol.1, Study 2	Swedish Geological	June 30, 1991
Report	Development of Small Scale Mining - Vol 2, Study 2	Swedish Geological	June 30, 1991
Report Report	Mining Cadastre - Study 3 Componente Social del estudio preparatorio No: 2 Pequena Minería y Control del medio ambiente	Swedish Geological Fernando Lopez M	June 30, 1991 December 1, 1991
Report	Estudio preparatorio No: 2 Pequena Minería y Control del medio ambiente - Estudio de las Condiciones de Trabajo y Salud.	Fernando Carpio	December 1, 1991
Letter	Letter from WB to MEM confirming reception of the ESPOL report	A. Garcia, TTL, LA4FT	February 5, 1992
Office Memorandum	Comments on EA Report	G. Ledec, LATEN	October 9, 1992
Letter	Clearance by GOE for release of EA (Spanish version)	C. Duzarlaga, Subsecretary of Mines	November 25, 1992
Office Memorandum	Aide memoire of the Environmental Mission (Appraisal)	R. Huber, LATEN	December 10, 1992
Project Document	EA Executive Summary	LACVP to EDs	January 7, 1993
Project Document	Clearance of Project Documents	Dennis Mahar, Chief LATEN	March 25, 1993

E2: Documents relevant to the Cotacachi-Cayapas thematic mapping

<b>Type of Document</b>	<b>Subject</b>	<b>Author</b>	<b>Date</b>
Letter	Authorization to undertake investigations in the Cotacachi-Cayapas Ecological Reserve	Mario Cardenas Cruz, Director Ejecutivo INEFAN	February 25, 1998
Laissez Passer	General authorization for mapping team to access protected areas	Jorge Albán, Subsecretario of Environment and Santiago Cordovez Noboa, Subsecretario of Mines	Octobre 27, 1998
Letter	Renewal of authorization to undertake investigations in the Cotacachi-Cayapas Ecological Reserve	Danilo Silva Chiriboga, Director Ejecutivo, INEFAN	December 4, 1998
Letter	Authorization to undertake investigations in the Cotacachi-Cayapas Ecological Reserve	Jorge Alban, ad interim Minister, MA	August 31, 1999
Letter	Summary of CEDENMA view on meeting held on October 14 between CEDENMA and Project team representatives	V. Polit, President CEDENMA	October 20, 1999
Letter	Summary of Project view on meeting held on October 14 between CEDENMA and Project team representatives	A. Bermeo, Project General Coordinator	October 22, 1999
Letter	Support letter to the Project activities in the Cotacachi-Cayapas area	Citizens from the Cuellage village, buffer zone of the Cotacachi-Cayapas area	December 17, 1999