

# Stakeholder Engagement Plan

## KRUMOVGRAD GOLD PROJECT



December 2014

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## GLOSSARY

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**Consultation:** The process of gathering information or advice from stakeholders and taking these views into account when making project decisions and/or setting targets and defining strategies.

**Dialogue:** An exchange of views and opinions to explore different perspectives, needs and alternatives, with a view to fostering mutual understanding, trust and cooperation on a strategy or initiative.

**Community Based Organisations (CBOs):** Organisations that are established by communities and comprise community members. Examples of CBOs include farming cooperatives.

**Corporate Responsibility (CR):** A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders.

**Community social investments:** Contributions (monetary, staff time or gifts in kind) that are made to stakeholders, and bring benefits to these stakeholders over and above an operation's core activities. The beneficiaries of these contributions can range from local to national and international stakeholders. These investments are generally aimed at addressing needs within a target community. The scope of these activities could range from donations to charities that link with business needs and strategies, for example capacity building and skills development amongst local residents for employment purposes, and local procurement.

**Engagement:** A process in which a company builds and maintains constructive and sustainable relationships with stakeholders impacted over the life of a project. This is part of a broader "stakeholder engagement" strategy, which also encompasses governments, civil society, employees, suppliers, and others with an interest in the project.

**Environmental and Social Impact Assessment (ESIA):** An assessment comprising various social and environmental studies which aim to identify project impacts and design appropriate mitigation measures to manage negative impacts, and to enhance positive project impacts.

**Feasibility/Pre-Construction phase:** The phase of a project which includes the Environmental and Social Impact Assessment, and financial and engineering feasibility studies.

**Life of Mine:** Number of years that an operation is planning to mine and treat ore, taken from the current mine plan.

**Livelihoods:** The financial and/or subsistence activities undertaken by households to meet their daily needs. Typically rural households undertake multiple livelihood strategies that include subsistence farming and informal trading.

**Local communities:** Refers to groups of people living in close proximity to a project that could potentially be impacted by a project. (“Stakeholders,” in contrast, refers to the broader group of people and organisations with an interest in the project.)

**Non-Government Organisations (NGOs):** Private organisations, often not-for-profit, that facilitate community development, local capacity building, advocacy, and environmental protection.

**Partnerships:** In the context of engagement, partnerships are defined as collaboration between people and organisations to achieve a common goal and often share resources and competencies, risks and benefits.

**Pre-Feasibility phase:** The phase of a project which includes a Screening Study to identify social and environmental fatal flaws, and a Scoping Study to identify and assess the social and environmental issues of a proposed project and evaluate project design alternatives prior to proceeding to project feasibility.

**Project:** Mining and Processing of Auriferous ore from Ada Tepe Prospect of the Khan Krum Deposit, Krumovgrad, Dundee Precious Metals Krumovgrad EAD (DPM)

**Project Area:** A geographical area within which direct and indirect impacts attributable to a project can be expected. Typically a Project Area is (i) unique to a project (ii) larger than the actual footprint of a project; and encompasses socio-economic issues and impacts, as well as issues and impacts associated with other disciplines (e.g. environment, health and safety). Defining the Project Area is used to determine a project’s area of influence and responsibilities. It also provides guidance on the area within which impacts need to be monitored, and managed, and it also assists with defining project stakeholders that should be engaged during an ESIA process.

**Stakeholder:** Any group or individual who can affect, or is affected by a company and its activities.

**Stakeholder Engagement Plan:** A plan which assists managers with effectively engaging with stakeholders throughout the life of the mine and specifying activities that will be implemented to manage or enhance engagement.

**Sustainable Development:** The Brundtland Commission report, *Our Common Future*, proposes that for development to be sustainable it should “meet the needs of the present without compromising the ability of future generations to meet their own needs”<sup>1</sup>

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<sup>1</sup> World Commission on Environment and Development, *Our Common Future* (Oxford, New York: Oxford University Press, 1987).



**ACRONYMS**

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<b>AMEC</b>	AMEC Earth and Environmental (UK) Ltd.
<b>CBO</b>	Community Based Organisations
<b>CDT</b>	Community Development Toolkit
<b>DPM</b>	Dundee Precious Metals Krumovgrad EAD
<b>EBRD</b>	European Bank for Reconstruction and Development
<b>EIA</b>	Environmental Impact Assessment
<b>EIS</b>	Environmental Impact Statement
<b>EMP</b>	Environment Management Plan
<b>EPA</b>	Environmental Protection Agency
<b>ESIA</b>	Environmental and Social Impact Assessment
<b>ESMP</b>	Environmental and Social Management Plan
<b>IFC</b>	International Finance Corporation
<b>LoM</b>	Life of Mine
<b>NGO</b>	Non-Governmental Organisation
<b>PID</b>	Public Information Document
<b>PS</b>	Performance Standard (IFC)
<b>SEP</b>	Stakeholder Engagement Plan
<b>TMF</b>	Tailings Management Facility
<b>ToR</b>	Terms of Reference
<b>WB</b>	World Bank
<b>WBG</b>	World Bank Group

## **1.0 INTRODUCTION**

### **1.1 Purpose and scope**

Dundee Precious Metals Krumovgrad EAD (also referred to as 'DPM' in this document) started the implementation of a project for Mining and Processing of Auriferous Ores from the Ada Tepe prospect, Khan Krum deposit, near Krumovgrad (referred to as "the Project"), approved by Environmental Impact Assessment (EIA) Resolution 18-8/11.2011 of the Minister of Environment and Water.

On 25 April 2012 DPM and the Minister of Economy, Energy, and Tourism (MEET) signed an Agreement for granting a concession to extract underground resources - metalliferous natural resources - gold ores, from the Khan Krum Deposit (the "Concession Agreement").

In June 2014 Scoping Consultations were held for the preparation of Social Impact Assessment. While the Scoping Consultations provided stakeholders with an opportunity to raise their concerns, it cannot be assumed that all stakeholders raised their opinions. Further specialist studies and continued engagement will assist with ensuring all relevant issues are captured and that all stakeholders feel they have had a chance to voice their concerns.

This Stakeholder Engagement Plan (SEP) will assist DPM with managing and facilitating future engagement through the various stages of the Project's life cycle from exploration through to construction, operations, closure and rehabilitation.

This SEP adopts an inclusive life-of-mine perspective. It details engagement undertaken with stakeholders during the pre-feasibility stage of the Project and serves as a guide to engagement during the Project feasibility stage. This version of the SEP is an initial guide to engagement and will need to be revised following Project approval to inform on-going stakeholder engagement through the various stages of Project development, construction, operation and closure/rehabilitation.

### **1.2 Objectives of the Stakeholder Engagement Plan (SEP)**

The SEP seeks to define a technically and culturally appropriate approach to consultation and disclosure. The goal of this SEP is to improve and facilitate decision making and create an atmosphere of understanding that actively involves project-affected people and other stakeholders in a timely manner, and that these groups are provided sufficient opportunity to voice their opinions and concerns that may influence Project decisions. The SEP is a useful tool for managing communications between DPM and its stakeholders.

The Key Objectives of the SEP can be summarised as follows:

- Understand the stakeholder engagement requirements of Bulgarian legislation;
- Provide guidance for stakeholder engagement such that it meets the standards of International Best Practice;





- Identify key stakeholders that are affected, and/or able to influence the Project and its activities;
- Identify the most effective methods and structures through which to disseminate project information, and to ensure regular, accessible, transparent and appropriate consultation;
- Guide DPM to build mutually respectful, beneficial and lasting relationships with stakeholders;
- Develops a stakeholders engagement process that provides stakeholders with an opportunity to influence project planning and design;
- Establish formal grievance/resolution mechanisms;
- define roles and responsibilities for the implementation of the SEP;
- define reporting and monitoring measures to ensure the effectiveness of the SEP and periodical reviews of the SEP based on findings and
- Assist DPM with securing and maintaining a social licence to operate throughout the life of the Project.



## **2.0 REGULATORY AND GOVERNANCE FRAMEWORK**

### **2.1 Introduction**

Dundee Precious Metals (DPM) has negotiated an amended financial package with a consortium of banks for which the European Bank for Reconstruction and Development (EBRD) acts as environmental agent. According to the EBRD's Environmental and Social Policy (2008), and its associated Performance Requirements (PRs), a project of this type and scale requires a full Environmental and Social Impact Assessment (ESIA). The Project undertook a local national environmental impact assessment (EIA) in 2010 and an environmental permit No. 18-8, 11/2011 was issued. Following an independent review of the local EIA report, the EBRD required a number of supplementary environmental and social studies and documents necessary to meet the EBRD Performance Requirements (PRs) and international good practice. In addition to the EBRD PRs, some of the consortium banks refer to the Equator Principles and therefore the Project also references the IFC's Performances Standards (2012). The package of supplementary environmental and social documents as well as the local EIA report (2010) together form the Project ESIA. The Project ESIA is summarised in a Non-Technical Summary.

### 3.0 AN OVERVIEW OF STAKEHOLDER ENGAGEMENT

#### 3.1 What is Stakeholder Engagement?

Stakeholder Engagement will be free of manipulation, interference, coercion, and intimidation, and conducted on the basis of timely, relevant, understandable and accessible information, in a culturally appropriate format<sup>2</sup>. It involves interactions between identified groups of people and provides stakeholders with an opportunity to raise their concerns and opinions (e.g. by way of meetings, surveys, interviews and/or focus groups), and ensures that this information is taken into consideration when making project decisions.

Effective stakeholder engagement develops a “social licence” to operate and depends on mutual trust, respect and transparent communication between a company and its stakeholders. It thereby improves a company’s decision-making and performance by:<sup>3</sup>

- **Cutting costs:** Effective engagement can help project proponents avoid costs, while its absence can be costly both in terms of money and reputation;
- **Managing risk:** Engagement helps project proponents and communities to identify, prevent, and mitigate environmental and social impacts that can threaten project viability;
- **Enhancing reputation:** By publicly recognising human rights and committing to environmental protection, project proponents and financial institutions involved in financing the project can boost their credibility and minimise risks;
- **Avoiding conflict:** Understanding current and emerging issues such as tension around influx and employment opportunities;
- **Improving corporate policy:** Obtaining perceptions about a project, which can act as a catalyst for changes and improvements in corporate practices and policies;
- **Identifying, monitoring and reporting on impacts:** Understanding a project’s impact on stakeholders, evaluating and reporting back on mechanisms to address these impacts; and
- **Managing stakeholder expectations:** Consultation also provides the opportunity for exploration and mining licence holders to become aware of and manage stakeholder attitudes and expectations.

#### 3.2 Principles for Effective Stakeholder Engagement

Stakeholder engagement is usually informed by a set of principles defining core values underpinning interactions with stakeholders. Common principles based on International Best Practice include the following:<sup>4</sup>

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<sup>2</sup> The European Bank for Reconstruction and Development, Environmental and social Policy, may 2014: Performance Requirement 10 para.5.

<sup>3</sup> Ibid.

<sup>4</sup> IFC, 2007, Stakeholder Engagement: A Good Practice Handbook for Companies Doing Business in Emerging Markets.

- **Commitment** is demonstrated when the need to understand, engage and identify the community is recognised and acted upon early in the process;
- **Integrity** occurs when engagement is conducted in a manner that fosters mutual respect and trust;
- **Respect** is created when the rights, cultural beliefs, values and interests of stakeholders and neighbouring communities are recognised;
- **Transparency** is demonstrated when community concerns are responded to in a timely, open and effective manner;
- **Inclusiveness** is achieved when broad participation is encouraged and supported by appropriate participation opportunities; and
- **Trust** is achieved through open and meaningful dialogue that respects and upholds a community's beliefs, values and opinions.

### 3.3 Stakeholder Engagement Considerations

The following considerations should be made when planning for stakeholder engagement:

- **It takes time and resources:** It takes time to develop and build trust based relationships with stakeholders. The consensus from practitioners is that from the outset relationships with stakeholders should develop and grow, and that these relationships should be nurtured and not fostered to fade. Additional stakeholders might be identified that also want to be engaged. No willing stakeholder should be excluded from the process of engagement. Some stakeholders will need to be educated about the concept of engagement itself, as well as on the complex issues requiring specialised and technical knowledge. These demands can increase the cost of consultation required to meet external expectations, and often this occurs at a time when a project lacks the internal capacity and resources to implement a broad engagement strategy.<sup>5</sup>
- **It raises expectations:** Stakeholders can have unrealistically high expectations of benefits that may accrue to them from a project. As such project proponents from the outset must be clear on what they can and cannot do, establishing a clear understanding of their roles and responsibilities. In developing countries, project proponents are often expected to take on responsibilities that are usually the responsibility of the government (e.g. infrastructure development and the provision of healthcare and education facilities). This behaviour should be avoided, as by doing so, governments may be relieved of delivering on their responsibilities and a project proponent will be burdened with projects beyond the realm of their expertise. Instead the engagement processes should provide project proponent with an opportunity to develop relationships with stakeholders and potential project partners who can assist with implementing corporate social responsibility projects.

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<sup>5</sup> Stakeholder Research Associates Canada Inc, 2005, The Stakeholder Engagement Manual Volume 1: The Guide to Practitioners' Perspectives on Stakeholder Engagement, [www.StakeholderResearch.com](http://www.StakeholderResearch.com).

- **Securing stakeholder participation:** Cultural norms and values can prevent stakeholders from freely participating in meetings. Often there are conflicting demands within a community, and it can be challenging for a project to identify stakeholders who are representative of common interests. This might be avoided by employing local community liaison officers who are sensitive to local power dynamics, which requires project proponents developing an awareness of the local context and implementing structures to support and foster effective stakeholder engagement.<sup>6</sup>
- **Consultation fatigue:** Moreover there is evidence to suggest that stakeholders can easily tire of consultation processes especially when promises are unfulfilled, and their opinions and concerns are not taken into consideration. Often stakeholders feel their lives are not improving as a result of a project and this can lead to consultation meetings being used as an area to voice complaints and grievances about the lack of development. This might be avoided by coordinating stakeholder engagement during an ESIA process, and by ensuring practitioners do not make promises to stakeholders, but rather use the public consultation process as an opportunity to manage expectations, challenge misconceptions, disseminate accurate project information, and gather stakeholder opinions which are feedback to the client and other project specialists.

The remaining chapters of this report will assist DPM to overcome these considerations of stakeholder engagement and attaining the overarching goal of *free, prior and informed* consultation.

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<sup>6</sup> Stakeholder Research Associates Canada Inc, 2005, The Stakeholder Engagement Manual Volume 1: The Guide to Practitioners' Perspectives on Stakeholder Engagement, [www.StakeholderResearch.com](http://www.StakeholderResearch.com).

## 4.0 STAKEHOLDER ANALYSIS AND IDENTIFICATION OF STAKEHOLDERS

### 4.1 Stakeholder analysis

Stakeholder analysis determines the likely relationship between stakeholders and the Project, and helps to identify the appropriate consultation methods for each stakeholder group during the life of the project. Some of the most common methods used to consult stakeholders include:

- Phone /email;
- One-on-one interviews;
- Workshop/focus group discussions;
- Distribution of pamphlets and newsletters;
- Public meetings; and
- Newspaper/magazines/radio.

When deciding the frequency and the appropriate engagement technique used to consult a particular stakeholder group, three criteria must be considered:

- The *extent of impact* of the project on the stakeholder group;
- The *extent of influence* of the stakeholder group on the project; and
- The *culturally acceptable* engagement and information dissemination methods.

In general, engagement is directly proportional to impact and influence, and as the extent of impact of a project on a stakeholder group increases, or the extent of influence of a particular stakeholder on a project increases, engagement with that particular stakeholder group should intensify and deepen in terms of the frequency and the intensity of the engagement method used.

All engagement should proceed on the basis of what are culturally acceptable and appropriate methods for each of the different stakeholder groups. For example, when consulting government officials formal presentations are the preferred consultation method, while communities prefer public meetings, and informal focus group discussions facilitated by posters, non-technical pamphlets and other visual presentation aids including models and videos.

There are a variety of engagement techniques used to build relationships with stakeholders, gather information from stakeholders, consult with stakeholders, and disseminate project information to stakeholders. When selecting an appropriate consultation technique, culturally appropriate consultation methods, and the purpose for engaging with a stakeholder group should be considered. Table 4-1 provides a list of different consultation techniques, and suggests the most appropriate application of these techniques.

**Table 4-1: Engagement Techniques**

<b>ENGAGEMENT TECHNIQUE</b>	<b>MOST APPROPRIATE APPLICATION OF TECHNIQUE</b>
Information Centre and Information Boards	<ul style="list-style-type: none"> <li>• Establish Information Boards in each Project area community.</li> </ul>
Correspondence by phone/email/Text/Instant messaging	<ul style="list-style-type: none"> <li>• Distribute project information to government officials, organisations, agencies and companies</li> <li>• Invite stakeholders to meetings</li> </ul>
Print media and radio announcements	<ul style="list-style-type: none"> <li>• Disseminate project information to large audiences, and illiterate stakeholders</li> <li>• Inform stakeholders about consultation meetings</li> </ul>
One-on-one interviews	<ul style="list-style-type: none"> <li>• Solicit views and opinions</li> <li>• Enable stakeholders to speak freely and confidentially about controversial and sensitive issues</li> <li>• Build personal relations with stakeholders</li> <li>• Recording of interviews</li> </ul>
Formal meetings	<ul style="list-style-type: none"> <li>• Present project information to a group of stakeholders</li> <li>• Allow the group of stakeholders to provide their views and opinions</li> <li>• Build impersonal relations with high level stakeholders</li> <li>• Distribute technical documents</li> <li>• Facilitate meetings using PowerPoint presentations</li> <li>• Record discussions, comments/questions raised and responses</li> </ul>
Public meetings	<ul style="list-style-type: none"> <li>• Present project information to a large audience of stakeholders, and in particular communities</li> <li>• Allow the group of stakeholders to provide their views and opinions</li> <li>• Build relationships with neighbouring communities</li> <li>• Distribute non-technical project information</li> <li>• Facilitate meetings using PowerPoint presentations, posters, models, videos and pamphlets or project information documents</li> <li>• Record discussions, comments/questions raised and responses</li> </ul>
Workshops	<ul style="list-style-type: none"> <li>• Present project information to a group of stakeholders</li> <li>• Allow the group of stakeholders to provide their views and opinions</li> <li>• Use participatory exercises to facilitate group discussions, brainstorm issues, analyse information, and develop recommendations and strategies</li> <li>• Recording of responses</li> </ul>
Focus group meetings	<ul style="list-style-type: none"> <li>• Allow a smaller group of between 8 and 15 people to provide their views and opinions of targeted baseline information</li> <li>• Build relationships with neighbouring communities</li> <li>• Use a focus group interview guideline to facilitate discussions</li> <li>• Record responses</li> </ul>
Surveys	<ul style="list-style-type: none"> <li>• Gather opinions and views from individual stakeholders</li> <li>• Gather baseline data</li> <li>• Record data</li> <li>• Develop a baseline database for monitoring impacts</li> </ul>

Table 4-2 presents a stakeholder analysis with respect to appropriate levels of consultation for each of the stakeholder groups identified in Section 4.2. The frequency of these interactions depends on the phase of the Project.

**Table 4-2: Stakeholder group consultation methods**

STAKEHOLDER GROUP	CONSULTATION METHODS
Government officials	<ul style="list-style-type: none"> <li>• Phone / email / text messaging</li> <li>• One-on-one interviews</li> <li>• Formal meetings</li> </ul>
Neighbouring communities	<ul style="list-style-type: none"> <li>• Print media, text messaging and radio announcements</li> <li>• Public meetings</li> <li>• Focus group meetings</li> <li>• Surveys</li> <li>• Information Centre</li> </ul>
Vulnerable Groups	<ul style="list-style-type: none"> <li>• Print media, text messaging and radio announcements</li> <li>• Public meetings</li> <li>• Focus group meetings</li> <li>• Surveys</li> <li>• Information Centre</li> </ul>
Employees and managers	<ul style="list-style-type: none"> <li>• Phone / fax / email / text messaging</li> <li>• Print media and radio announcements</li> <li>• Workshops</li> <li>• Focus group meetings</li> <li>• Surveys</li> </ul>
NGO's and conservation organisations	<ul style="list-style-type: none"> <li>• Phone / fax / email / text messaging</li> <li>• One-on-one interviews</li> <li>• Focus group meetings</li> <li>• Information Centre</li> </ul>

## 4.2 Defining Stakeholders

The IFC's Handbook on Stakeholder Engagement (2007) defines stakeholders as "persons or groups who are directly or indirectly affected by a project, as well as those who may have interests in a project and/or the ability to influence its outcome, either positively or negatively." <sup>7</sup>

Krumovgrad Gold Project has identified the following stakeholder groups, and each of these groups is discussed in greater detail below:

- Government officials;
- Impacted communities;
- Project personnel; and
- NGO and conservation organisations.

This list of stakeholders is likely to expand/change in composition as the Project moves to feasibility, construction, operations and closure. Additional stakeholder groups might include:

- Suppliers and businesses;
- Shareholders;
- Trade unions;

<sup>7</sup> International Finance Corporation, 2007, Stakeholder Engagement: A Good Practice Handbook for Companies Doing Business in Emerging Markets, [www.ifc.org/enviro](http://www.ifc.org/enviro)



- Customers;
- Academic community; and
- Interest groups;
- Vulnerable groups.

### ***Government Officials***

The Government of Bulgaria consists of a parliamentary representative democratic republic, whereby the Prime minister is the head of government, and of a multi-party system. Executive power is exercised by the government. Legislative power is vested in both the government and the National Assembly. The Judiciary is independent of the executive and the legislature.

The principal government departments that will be consulted include:

- Ministry of Environment and Water;
- Ministry of Economy, Energy and Tourism;
- Ministry of Agriculture and Foods;
- Ministry of Health;
- Ministry of Culture;
- Krumovgrad Municipality;
- Krumovgrad State Forestry Department;
- Zvanarka Mayor's Office;
- Dazhdovnik Mayor's Office;
- Ovchari Mayor's Office;
- Kardzhali District Governor;
- Regional Inspectorates of Environment and Water Haskovo;
- Water Basin Directorate - East Aegean Region - based in Plovdiv;Regional;
- Inspectorate for Protection and Control of Public Health, Kardzhali;
- Regional Forestry Directorate, Kardzhali;
- Executive Forestry Agency – Sofia;
- Greek Government.

This list will be amended and expanded on as the Project progresses.

### ***Impacted Communities***

Impacted communities are groups of people who can be directly or indirectly (positively or negatively) affected by a project. An impacted community may be affected through components of the natural or social environment as a consequence of various aspects of a project and in varying degrees over its life cycle

To ascertain which communities are impacted and the level of impact, the different studies have firstly established the area of influence of the Project. As such, the primary area of influence of the project is Krumovgrad Municipality, within which the proposed project will be located. Within this primary area of influence some communities will experience more direct impacts (positive and negative) as a consequence of their vicinity

to the proposed project site, the haul road or because the community will act as the principal service centre to the project and they are considered directly impacted. These communities<sup>8</sup> are illustrated in the table below. Other villages and hamlets within the primary area of influence may also experience impacts (positive and negative), however to a lesser degree and the impacts will be predominantly indirect.

The following settlements have been identified as being directly affected within primary area of influence of Krumovgrad Municipality, namely:

**Table 4-3: List of Settlements Directly Affected.**

Village / Town	Hamlet*	Component
Skalak	Podeba, Skalak Koprivnik, Kremnik, Synap, Belagush <sup>9</sup>	up to 2000 metres from the mine site
Ovchari	Taynik, Bitovo, Soyka, Varhushka, Chobanka 1, Chobanka 2, Konsho	up to 2000 metres or less from the mine site
Dajdovnik	Dajdovnik, Kupel	up to 2000 metres or less from the mine site
Malko Kamenyane	Ladovo	up to 2000 metres or less from the mine site
Kaklista	Shtarbina, Kokoshar	up to 2000 metres or less from the mine site also communities use the proposed haul road to access their communities.
Zvanarka	Zvanarka, Lozino 1, Lozino 2, Lozino 3	up to 2000 metres or less from the mine site .Communities are located near to haul road.
Izgrev		Location of Krumovgrad Hospital and Company offices.
Edrino		up to 2000 metres from the mine site.
Krumovgrad town		Principal service centre to the proposed project.

\*Only hamlets within 2000 metre radius under the lead village have been considered.

The secondary area of influence, is considered the broader geographic area within which Krumovgrad Municipality is located and consists of Kardzhali district, as well as communities located along the access road used to supply goods and services to the mine and to transport the concentrate to Momchilgrad<sup>10</sup>.

### ***NGO and Conservation Organisations***

NGO and Conservation organisations which have been identified include:

<sup>8</sup> The Mahala designation of names of hamlets / villages is defined as a cluster of houses which fall under the territorial jurisdiction (administrative) of a nominated village. This designation is only applied in rural/small village context.

<sup>9</sup> The studies established that this community was in fact derelict at the time of the field study, however it is recognized that the owners of the properties may return infrequently in the future.

<sup>10</sup> At the time of writing two routes are considered as cited Traffic Management Framework, refer to discussion under Infrastructure in this report.

- Green Balkans Federation of Environmental Organisations - Plovdiv;
- Bulgarian Society for Protection of Birds;
- Balkans Wildlife Association - Sofia;
- Environmental Association for the Earth - Sofia;
- Sofia Environmental Information and Training Centre;
- Harmony Civic Association;
- Euro Generation Krumovgrad.
- Bank Watch

This list will be amended and expanded on as the Project progresses.

***Project Personnel***

DPM will enhance their Community Relations (CR) Unit to manage stakeholder consultation, address grievances, and implement community development programmes to minimize any potential impacts identified in the ESIA study.

It is important that employees of DPM and in particular the CR Department are included in the consultation and engagement processes. By consulting personnel it is possible for project consultants to communicate accurate information regarding Project activities, company recruitment policies and procedures, worker health and safety procedures, as well receiving information on the status of community development programmes.

***Vulnerable Groups***

The vulnerable groups within the Project area of interest can be grouped into categories of elderly, youth, women, unemployed, Roma minority group and those people with disabilities. Attendance will be encouraged at consultation meetings and certain additional measures will be put in place to encourage participation (Table 4-4).

**Table 4-4: Consultation methods for vulnerable groups**

Category	Organization	Leader	Method of consultation
Elderly	Club of pensioners Home for the elderly	Vesa Markova Semra Ahmed Director	Focus Group meetings: Assisted transport to meetings
Women			Additional Focus Group meetings
Youth			Additional Focus Group meetings
Roma Minority			Focus Group meetings in a language of their understanding
Disabilities	Blind Union	Kirilka Dimitrova	Focus Group meetings: Assisted transport to meetings



### **4.3 Stakeholder Register**

DPM will maintain a stakeholder register, which shall record all stakeholders, contact details, dates of engagement with comments and including follow up requirements. As this register is a live document, only an example can be found in Appendix 1.

## **5.0 STAKEHOLDER ENGAGEMENT APPROACH**

### **5.1 Engagement Phases**

Stakeholder engagement within the ESIA process is critical for supporting the project's risk management process, specifically the early identify and avoidance/management of potential impacts (negative and positive) and cost effective project design.

Stakeholder engagement is an on-going process throughout the ESIA and there are three phases relevant to the Krumovgrad Gold Project ESIA and this SEP:

- ESIA Baseline Engagement Phase;
- ESIA Disclosure & Consultation Phase; and,
- Ongoing engagement after the ESIA disclosure process is complete and throughout the the project life cycle.

#### **5.1.1 ESIA Baseline Engagement Phase**

During the ESIA baseline fieldwork the focus of engagement is primarily on gathering information and opinions from stakeholders. Engagement activities will therefore include interviews with stakeholder representatives (informal leaders) and key information organizations (communities, authorities, NGOs) using one-on-one meetings, workshops and smaller focus group meetings.

Within the overarching ESIA engagement objectives, the specific objectives of engagement during this baseline phase are to:

- Introduce the project and ESIA process to key stakeholders
- Identify potential impacts and issues that will be covered in subsequent phases
- Further identify stakeholders related to the Project
- Identify and gain access to relevant data for the baseline
- To gather stakeholder opinions on the proposed project and ensure that these opinions are fed into the assessment process
- To gather stakeholder feedback on the development of management and mitigation measures of potential impacts, particularly where stakeholders have a potential role to play in these measures.

#### **5.1.2 ESIA Disclosure & Consultation Phase**

This second phase of engagement focuses on disclosing and consulting on the draft results of the ESIA process. Within the overarching ESIA engagement objectives, the specific objectives for the draft ESIA phase of engagement are to:

- Provide feedback to the stakeholders on the draft impact assessment and associated management/mitigation measures (disclosure); and,

- Gather stakeholder input on the initial impact assessment and identified mitigation and enhancement measures (consultation).

It is planned that this phase of engagement will take place in December 2014 prior to the finalisation of the ESIA Package Report in December 2014 – January 2015. The detailed plans for the ESIA Package Disclosure and Consultation Phase Activities are summarised below Table 5-1

During this engagement phase, disclosure and consultation activities will be designed along the following general principles:

- Consultation events and opportunities must be widely and proactively publicised, especially among project affected parties, at least 2-3 weeks prior to any meeting;
- The non-technical summary must be accessible prior to any event to ensure that people are informed of the assessment content and conclusions in advance of the meeting;
- The location and timing of any meeting will be designed to maximise accessibility to project affected stakeholders;
- Information presented will be clear and non-technical, and will be presented in the local language understood by those in the communities;
- Facilitation will be provided to ensure that stakeholders are able to raise their concerns; and
- Issues raised are answered at the meeting or actively followed up.

Anyone can comment on the draft ESIA during the 60-day disclosure period. Feedback forms (Appendix 2) will accompany all the disclosure documentation. Comments can either be placed in a confidential comment box in the Info centre; sent/emailed to DPM Krumovgrad directly to [Lubomir.Marchev@dundeeprecious.com](mailto:Lubomir.Marchev@dundeeprecious.com) or a telephone hotline exists **+359 (0) 36416802** and feedback will be recorded.

### 5.1.3 Ongoing Engagement

#### *Community Forum*

In order to ensure effective consultation with community members during construction and operation of the Project, DPM will establish a Community Consultation Forum that will comprise elected community representatives, and aims to disseminate project information to community members.

DPM will request communities to democratically elect representatives to voluntarily sit on the Forum, which meets quarterly. Representatives would be responsible for disseminating project information to community members, and DPM would be responsible for taking minutes and attendance registers at Forum meetings.

The composition of the Forum might include the following Committee members:



- community members from the communities within the Projects area of interest;
- Representatives from the Municipal Authorities; and
- DPM's Community Relations Department.

In summary the Consultation Forum comprises a membership of persons that might be elected every six months. Committee members would be required to hold meetings with their communities, and provide DPM with copies of the attendance registers and minutes of these meetings.

For the Forum to be effective, it would be important for elected forum members to participate in training workshops to develop a Constitution and build capacity amongst forum committee members to effectively participate in meetings.

The venue for forum meetings should rotate amongst communities using a pre-agreed schedule determined at an inaugural meeting held at a location to be determined by DPM. Each community would then have a turn to hold a forum meeting, and forum members would be transported by DPM to the various meeting venues.

#### ***Notice boards***

Notice boards are an effective mechanism to inform literate audiences, and can be used by DPM to inform community members about project activities. Selecting the best location for the notice boards should be done in consultation with community members.

These notice boards will be regularly updated with Project information and used to inform community members about project activities, employment opportunities and impact management measures including the grievance mechanism. Noticeboards could also include the grievance/suggestion box.



**Table 5-1: ESIA Package Disclosure and Consultation Phase Activities and Timing**

Activity	Timing	Engagement Activity and Methodology	Targeted Stakeholder	Engagement Objectives
<b>Disclosure &amp; Consultation Preparation</b>	01.12.2014	Prepared hard copies of the NTS and SLIP	Ministry of Economy, Energy and Tourism District Government Municipality of Krumovgrad EBRD Bulgarian office, Regional Inspectorate of Environment and Water - Haskovo	Preparation of appropriate disclosure material related to the disclosure.
	01.12.2014	Prepared NTS, SEP (including the Grievance Mechanism)	All Stakeholders	Preparation of appropriate disclosure material related to the disclosure
	10.12.14	Prepare a Leaflet detailing the project description, main points of the non-technical summary in. Leaflet to include details of where to access full report and where and how to place comments.	Infocentre focus groups All host communities within the Local Study Area	Preparation of appropriate disclosure material related to the draft NTS and SLIP Package. Leaflet to support disclosure engagement with stakeholders.
	10.12.14	Prepare two presentations (detailed and general versions) summarising the non-technical executive summary in .	Info Centre focus groups	Detailed presentations intended for Municipality. General version prepared for stakeholder engagement with communities.
	02.12.2014	Informal launch day of NTS and SLIP Package disclosure on Info Centre in Krumovgrad. Prepare Info Centre to be open 5 days a week 9.00 am – 12.00 for the 60 day duration of the disclosure period	Government Municipality NGOs Businesses Community Media Trade	Info centre open and staffed for interested stakeholders to provide access the Non -Technical Summary, SEP, Grievance Mechanism, full NTS and SLIP Package and all other relevant SLIP documents. Comments box available for feedback during the 60 day period.
<b>Disclosure (60-day disclosure period)</b>	28.11.2014	Prepare notification for the start of the disclosure process and the location of review copies of the NTS and SLIP Package. EIA hardcopies will also be available for reference. The facilities to receive comments; info centre comments box; sent/mailed to DPM directly to Lubomir.Marchev@dundeevaluable.com; a telephone hotline +359 (0) 3641 6802 and feedback will be recorded.		To enable all parties; interested and affected to have access to the disclosure information and Enable stakeholders to provide feedback and comments with regards to the draft NTS and SLIP Package.
	02.12.2014	Announcement in local newspapers Nov Zivot and Rodopi 24, <a href="http://rodopi24.blogspot.com/">http://rodopi24.blogspot.com/</a> of the disclosure process, location of documents and the various mechanisms for placing comments.	Stakeholders at all levels	Ensure stakeholders can review an outline of the project impacts and proposed mitigation action. Enable stakeholders to provide feedback and comments with regards to the draft NTS and SLIP Package. Ensure quality engagement on the report's contents, rather than just wide circulation of the report.
	02 - 03.12.2014	DPM web site publishes the ESIA Package in English and Bulgarian.	Stakeholders at all levels	Ensure stakeholders can review an outline of the project impacts and proposed mitigation action. Enable stakeholders to provide feedback and comments with regards to the draft NTS and SLIP Package. Ensure quality engagement on the report's contents, rather than just wide circulation of the report.
	02-05.12.2014	The NTS and SLIP Package will be submitted as a package to relevant stakeholders. Copies of NTS and SLIP Package will be placed in the offices of local Mayor's and the Company Info Centre. Copy of Biodiversity Action Plan will be submitted to and Forestry Dept. in Krumovgrad Presentation given to these identified stakeholders.	Municipality of Krumovgrad; Ministry of Economy Energy and Tourism (MEET), District Administration, EBRD Bulgarian office, Regional Inspectorate of Environment and Water - Haskovo. Copies of non technical summary, SEP will be placed in the offices of Varhushka (village Ovchari), Dajdovnik and Zvanarka, Mayor's, Coffee shop in Zvanarka (for Skalak village), vulnerable groups representatives (Club of pensioners Home for the elderly, Blind Union) and the Company Info Centre. Copy of Biodiversity Action Plan to be submitted to Forestry Dept. in Krumovgrad. Electronic notification letter for forcomming disclosure will be submmited to Bankwatch (ceie@ceie.org, info@zazemiata.org) Presentation will be given to these identified stakeholders.	Ensure institutional stakeholders can review an outline of the project impacts and proposed mitigation action. Enable institutional stakeholders to provide feedback and comments with regards to the NTS and SLIP documents Ensure quality engagement on the report's contents, rather than just wide circulation of the report.
	December 2014 –January 2015	Set up consultation meetings with Interested stakeholder groups (national, district and at municipality level).  Set up consultation meetings Project affected people. Meetings with the Project affected people will be held in the hamlets with residents in an agreed location. As many residents of each hamlet should be encouraged to participate, understanding that some residents may be	<b>National</b> Archaeological Institute NGOs  <b>District</b> District administration	Ensure stakeholders can review an outline of the project impacts and proposed mitigation action. Meeting dates set up in advance to allow stakeholders to have time to read and prepare for the consultation so that they are 'informed' prior to the meeting date.



Activity	Timing	Engagement Activity and Methodology	Targeted Stakeholder	Engagement Objectives
		absent as their main residence is in Turkey and will therefore not be able to participate <sup>11</sup> .  The non-technical executive summary, SEP and ESAP will be made available three weeks prior to any consultation so that participants have time to read and prepare for consultation meetings.	<b>Local</b> Forestry Department Businesses including tobacco buyers Church leaders NGOs including Euro generation Agricultural organisation Hospital staff Schools Religious leaders Lulichka Hunting Group media  <b>Directly affected Community residents;</b> Izgreve Edrino Ovchari Taynik Bitovo Soyka Varhushka Konsko Chobanka 1 & 2 Synap Zvanarka Lozino 1 Lozino 2 Lozino 3 Kupel Ladovo Shtarbina Kremenik Podeba Belagush Skalak Koprivnik Kokoshar	
	December 2014 and January 2015	Hold consultation meetings with affected stakeholders. A facilitator will facilitate conversation between DPM staff and the stakeholders. An informal presentation will be prepared and presented in the relevant language & a project leaflet shall be provided;  The facilitator/s will be able to provide information on environmental, social and technical matters. Should they be unable to answer any questions – contact details to be taken off the stakeholder and who will be contacted later once the answer is sought.  Log meetings, attendees and record minutes. Update stakeholder register.	As above	Enable stakeholders to provide feedback and comments with regards to the draft NTS and SLIP Package.  Ensure quality engagement on the report's contents, rather than just wide circulation of the report.
Post Disclosure	02.02.2015	End of 60 day disclosure period		Close comment portals.
	06.02.2015	Finalise ESIA package and provide a public summary table of the comments received during the disclosure period and a response from DPM as to how these comments have been addressed in the ESIA package.		Collate comments, log in to stakeholder register and as appropriate integrate in to ESIA Package and Non- technical Summary.
	10.02.2015	Final draft ESIA Package and Non technical Summary provided to targeted stakeholders And published on DPM website <a href="http://www.dundeeprecious.com">http://www.dundeeprecious.com</a> ; Municipality of Krumovgrad; Ministry of Economy, Energy and Tourism, District government; Info Centre.		To provide stakeholders with final version of the ESIA Package and Non technical Summary.

<sup>11</sup> Baseline studies found that the official registered number of inhabitants of hamlets that surrounded the Project site were recorded significantly higher than the actual number of inhabitants. It was further found that these hamlets were largely depopulated with the owners living in Turkey and only returning to their residents in Bulgaria intermittently and generally, but not reliably, during the summer months. The Company had in the past endeavored to contact absent property owners living in Turkey but was only successful in a few instances. Contacting residents through informal networks was not found possible as such networks do not exist as the diaspora live throughout Turkey and not in one particular region. It is therefore recognized that disclosure will only be able to reach permanent residents of hamlets and those non permanent residents whom are visiting during the disclosure period. Nevertheless documents will be accessible in the Municipality offices in Krumovgrad, Mayor's Offices in Ovchari & Dajdovnik, the info centre in Krumovgrad and the company web page during & post disclosure period for interested parties.

## **5.2 Post ESIA Disclosure, On-going Consultation and Life of Mine Disclosure**

Following the completion of the ESIA report and once the construction has started DPM Krumovgrad will perform on-going engagement throughout the life of the project. The Company will use the Info centre in Krumovgrad however on-going engagement and reporting to the communities guided by the SEP will support the long term viability of the Project by establishing and maintaining good relations with community and using feedback to inform the decision making process.

The SEP is a living document that will be refined and modified throughout the life of the Project. During this iterative process the focus and scope of the SEP may shift somewhat in response to changing engagement needs and priorities for the Project, and as such the SEP should be updated after the ESIA process in order to meet the life of mine requirements.

The key elements to be considered when implementing stakeholder engagement during the Project's life cycle are as follows;

- Maintain existing relations with stakeholders;
- Maintain DPM's social license to operate;
- Assist DPM with implementing environmental and social management plans; and
- Assist DPM with monitoring and managing environmental and social impacts.

This will be achieved through the following;

### **5.2.1 Establishment of Community Liaison Team**

A trained community liaison team will take responsibility and lead all aspects of the stakeholder engagement. The proposed staffing complement is detailed in Chapter 7.

#### **Krumovgrad Information Centre**

The Info Centre which was opened in 2005 by DPM and will continue to operate from its new premises. The centre provides the public access to leaflets, information materials and the chance to view a model of the proposed mine layout. It allows the public to meet and communicate personally with company representatives, to obtain information on on-going projects, ask questions on topics of interest as well as to lodge complaints or concerns.

### **5.2.2 Establishment of Local Consultative Forums**

The ESIA Package mitigation recommends establishing Local Consultative Forums (LCFs) in the directly affected communities surrounding the proposed project. The purpose of a LCF is to provide a forum for open discussion on issues directly relating to the mine's operations, environmental performance and community relations, as a two way process. The membership of the committee shall comprise of community members (both men and women) from each directly affected village (including the hamlets) of

Skalak, Ovchari, Dajdovnik, Zvanarka, Malko Kamenyane, Kaklista, Izgrev, Edrino and Krumovgrad. Details will be established and communicated to the relevant communities.

## 6.0 STAKEHOLDER ENGAGEMENT TO DATE – CURRENT DEVELOPMENT

### 6.1 2011 Stakeholder Engagement Activities

Stakeholder engagement has taken place first in 2010 during consultation of Terms of Reference for EIA Report. Four public hearings took place in Ovchari, Dazhdovnik, Zvanarka, and Krumovgrad in 2011 subsequent to the EIA 2010 (Table 6-1). All statements and questions rose during public hearing as well as answers provided by the company are published on web page of DPM in both languages – Bulgarian and English. Statements with all questions and answers from the company were sent to the Municipality of Krumovgrad and villages Ovchari, Zvanarka and Dazhdovnik as well as to Ministry of Environment and Water. The statements were also available in the Company information centre in Krumovgrad And currently are still uploaded on web page of the company.

**Table 6-1: Consultations for the Dundee Precious Metals Krumovgrad EAD (before the name was Balkans Minerals and Mines (BMM) EAD)**

Date	Consultation	Communities
11 July 2011	Statement of BMM EAD, Part 1, Public Hearing	Dazhdovnik Village
14 July 2011	Statement of BMM EAD, Part 2, Public Hearing	Zvanarka Village
18 July 2011	Statement of BMM EAD, Part 3, Public Hearing	Ovchari Village
22 July 2011	Statement of BMM EAD, Part 4, Public Hearing	Krumovgrad

### 6.2 ESIA Package Scoping Consultation

The scoping phase took place between 2nd and the 5th of June 2014 (Table 6-2) .The team consisted of two scoping consultants, a translator and a DPM community liaison officer.

The objectives of the scoping phase were to:

- To verify the range of social impacts and issues (risks and opportunities) relevant to the Krumovgrad Gold Project; and
- To identify and verify stakeholders relevant to the Krumovgrad Gold Project.

Mapping of the project area using the satellite imagery to identify hamlets and villages which are potentially directly and indirectly affected. Using this, the scoping team visited a number of these places and undertook consultations with stakeholders residing in these villages and hamlets.

Added to this, other stakeholders were identified in the general locality who have an interest in the project; and who would potentially be impacted (directly or indirectly).

The purpose of all of these interviews was to understand the potential project area of influence and the potentially impacted stakeholders, to gather rich local level insights and a clear picture of the perceptions of the potential impacts of the project as perceived by stakeholders. Interview notes were taken and the format of the interviews was informal.

**Table 6-2: Scoping Consultation Schedule**

Date	Persons Consulted	Positions
02 June 2014	I Ivanov Erhan Eub	DPM Krumovgrad Chief Environmental Officer; DPM Krumovgrad PR Manager
02 June 2014	I Ivanov Lubomir Marchev	DPM Krumovgrad Chief Environmental Officer; Environmental Specialist
03 June 2014	Irena Tsakova	DPM Krumovgrad Operations Director
04 June 2014	Female resident of Edrino	n/a
04 June 2014	Female resident of Lozino-2, Zvanarka	n/a
04 June 2014	Group of men, chance interview	n/a
04 June 2014	Mr Lambo Lambov	Director, Forestry Department
04 June 2014	Male resident of Pobeda	n/a
04 June 2014	Male resident of Synap	n/a
04 June 2014	Group of residents of Bitovo	n/a
04 June 2014	Group of residents of Soyka	n/a
05 June 2014	Female resident Chobanka	n/a
05 June 2014	Representative of NGO	NGO
05 June 2014	Varhushka	Mayor and Ex-Mayor
05 June 2014	Group of male residents of Shtarbina	n/a

### 6.3 Key Issues raised during the scoping consultation

Based on findings of the stakeholder engagement during the scoping phase, a summary of the social topics introduced by stakeholders are presented below (Table 6-3).

**Table 6-3: Issues and questions raised during the Scoping Consultation**

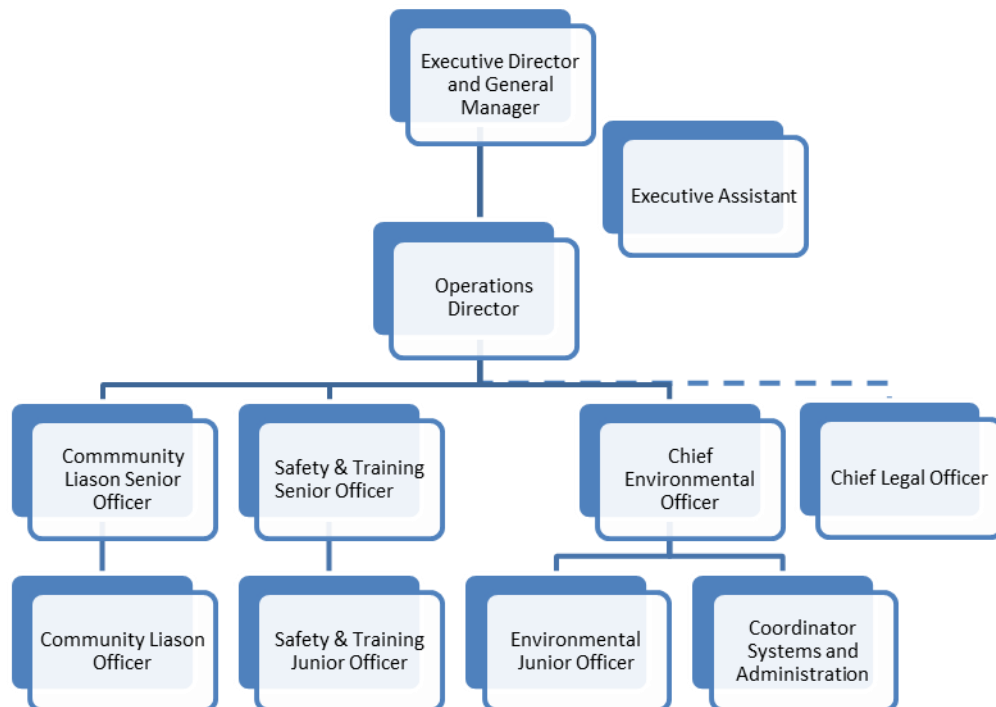
Issue	Sub issue as perceived by potentially affected population	Questions/comments from stakeholders
Employment	Lack of job opportunities in the area	People in the area are in desperate need of employment opportunities. There is rural – urban migration away from the Krumovgrad area as well as migration out of Bulgaria for job opportunities.
Environment	The environmental quality is described as “good” at present.	There is a good understanding of potential environmental impacts of proposed mining operations as itemized below.
Water quality (wells and surface water including Krumovitsa River)	Pollution of water sources used for drinking and farming	Water quality will potentially be effected by by the project.
Air quality	Dust and gaseous emissions	The air quality is excellent if the project goes ahead this may be affected.
Project Information Dissemination	Ethnic Turks, in particular, women, are not receiving sufficient information about the project. Some potentially affected communities have not had any contact from DPM	When asked what residents in the potentially affected communities near the mine site knew about the project they responded that they knew very little and were relying on second hand information or from observing activities to date at the mine site
Pollution	The project will use toxic substances  Exploratory drilling effected the bee population	People have fears that toxic substances will be used that will effect environmental quality Farmers fear that their buyers will not buy the communities surrounding the mine site’s CLOps tobacco, peppers, livestock and honey because of pollutants Perception that the solution used for drilling and remained as a residue in the holes left had effected bees
Road safety	Cattle Crossing the Zvanarka - Pobeda road to grazing areas Synap – Zvanarka road is a school bus route	What safety measures will be put in place? The road is used by a school bus at certain times of the day
Blasting	Impacting structure of dwellings	Adequacy of the construction of the houses to withstand the vibrations from blasting
Land take and loss of access to Ada Tepe for recreational and additional income generating activities	Ada Tepe used for area for picking of herbs and mushrooms as well as recreational walking/hiking and hunting	The area has always been used by people for foraging of wild plants and mushrooms for personal consumption and to be sold to buyers in Krumovgrad. Income to supplement subsistence farming activities. Individuals mentioned that they used the area to walk for pleasure. Hunting Association area for hunting allocated by the Forestry Department

## 7.0 IMPLEMENTATION OF THE SEP

### 7.1 Resources and Responsibilities

DPM currently has the overall responsibility for stakeholder consultation and involvement. The proposed staffing complement from the ESIA Management framework is presented below in Figure 7-1.

**Figure 7-1: Social Management Reporting Structure**



#### 7.1.1 Community Liaison Unit

##### Community Liaison Senior Officer

Reporting to the Operations Director duties will involve but are not limited to:

- Management of Community Liaison Unit;
- Manage all Community Liaison related tasks in the Info Centre;
- Develop a Community Development Plan based on mitigation proposed in ESIA Package;
- Implement community engagement strategy and oversee all community liaison related matters;
- Manage the grievance mechanism set up for the project-affected areas;
- Oversee implementation and monitoring of Community Development Plan;

- Establish a monitoring and evaluation plan and other 'tools' established such as the grievance register, commitment register and consultation register;
- Provide reports to Senior Management for onward submittal to EBRD, lenders and internal CSR monitoring.

### **Community Liaison Officer**

Reporting to the Community Liaison Senior Officer, duties will involve but are not limited to:

- Perform community engagement. Incorporated in this, Coordinate the Company's response to all issues related to the grievance mechanism set up by the Company;
- Provide liaison between Community Development Programme measures and implementing partners (e.g. N.G.Os);
- Manage arising community matters;
- Perform monitoring and evaluation to track progress of implementation of mitigation measures and assess if progress and performance of mitigation actions being undertaken by the Company to ensure objectives are met. Liaise with the appropriate company personnel to ensure that grievances are tracked, reported and responded to accordingly as necessary.

## **7.2 Stakeholder engagement tools and materials**

This SEP will be used in conjunction with stakeholder engagement and community relations management tools including:

- **Grievance mechanism (Section 0)** – A Complaint and Grievance Procedure provides a mechanism for communities and affected parties to raise complaints and grievances and allows the project to respond to and resolve the issues in an appropriate manner. A register has been developed to record all grievances reported to the CLOs (Appendix 7).
- **Commitment Register** – this register is in use to record any public commitments made by the Project or public concerns raised about the Project that require action. This register is in addition to the stakeholder register (Appendix 7).
- **Engagement Notes Format (Appendix 3)** – To ensure that an accurate and detailed record of information and views are gathered at every stakeholder meeting, a consultation meeting note will be written up. Prior to all consultations, responsibility shall be appointed to one member of the project team to take detailed notes and write up these notes immediately after the consultation using the Consultation Note format.



## **7.3 Monitoring and Evaluation, and Reporting**

### **7.3.1 Monitoring and Evaluation**

DPM will maintain a database and activity file detailing all public consultation, disclosure information and grievances collected throughout the project, which will be available for public review on request.

Stakeholder engagement should be periodically evaluated by senior management of DPM, assisted by the CLSO/community liaison senior officer. The following indicators will be used for evaluation:

- Level of understanding of the project stakeholders;
- Annual grievances received and how they have been addressed; and
- Level of involvement of affected people in committees and joint activities and in the project itself.

In order to measure these indicators the following data will be used:

- Issues and management responses linked to minutes of meetings;
- Monthly reports;
- Feedback from primary stakeholder groups (through interviews with sample of affected people);
- Commitment and concerns register and
- Grievance register.

### **7.3.2 Reporting**

#### ***Monthly Reports***

The CLSO will prepare brief monthly reports on stakeholder engagement activities for the Operations Director, which include:

- Activities conducted during each month;
- Public outreach activities (meetings with stakeholders and newsletters);
- Entries to the grievance register;
- Entries to the commitment and concerns register;
- Number of visitations to the information centre;
- Progress on partnership and other social projects;
- New stakeholder groups (where relevant); and
- Plans for the next month and longer term plans.

Monthly reports will be used to develop annual reports reviewed by senior managers at DPM





### ***Annual Reports***

DPM will compile a report summarising SEP results on an annual basis. This report will provide a summary of all public consultation issues, grievances and resolutions. The report will provide a summary of relevant public consultation findings from informal meetings held at community level.

These evaluation reports should be presented to the DPM senior managers and a summary of the results will be provided for the annual report. A three-yearly evaluation should be conducted by an independent consultant using a perception survey, which uses that same set of questions over time to achieve continuity. The first survey to assess stakeholder perceptions should be conducted before major construction work to provide a baseline for community perceptions.

### **Reporting Back to the Communities**

DPM will provide the opportunity to report back to the communities on matters relating to:

- main findings from the annual monitoring;
- progress on implementation of the mitigation including the community development plan and social investment initiatives;
- Progress on the ESAP

Whilst the exact method of this reporting is yet to be finalised (and upon finalisation the SEP will be updated) DPM will use tried and tested successful reporting methods used at the DPM mine at Chelopech Chavdar such as;

- To report every quarter/ yearly to Krumovgrad Municipality Council (KMC). These sessions will be open to all interested stakeholders and the conference room has the capacity to hold 200 people;
- To report directly to villages and hamlets through the community liaison team;
- To publish reports and have them available in the info center and copies sent to stakeholders (municipality, local consultative forums, local mayors etc.).

## **8.0 GRIEVANCE MANAGEMENT AND COMMENT RESPONSE**

### **8.1 Purpose**

A grievance is a concern or complaint raised by an individual or group affected by DPM exploration, construction or operational activities. Both concerns and complaints can result from either real or perceived impacts of a company's operations, and may be filed in the same manner and handled with the same procedure.

A Grievance is NOT:

- A question or suggestion on the company or project; and/or
- An appeal or request for assistance.

### **8.2 Objectives**

- To provide stakeholders with a clear process for providing comment and raising grievances;
- To allow stakeholders the opportunity to raise comments/concerns anonymously through using the community suggestion boxes to communicate;
- To structure and manage the handling of comments, responses and grievances, and allow monitoring of effectiveness of the mechanism; and
- To ensure that comments, responses and grievances are handled in a fair and transparent manner, in line with DPM's internal policies, international best practice and lender expectations.

### **8.3 DPM's Roles and Responsibilities**

All DPM employees and/or contractors are responsible for reporting any comment response, and grievance to the Community Liaison Senior Officer (CLSO).

The CLO is responsible for receiving comment response, and grievances and ensuring that they are correctly documented. The CLO is the main point of contact for community level comment response, and grievances, and will be responsible for maintaining clear communications and updating the aggrieved in line with time frames detailed below.

The Community Liaison Officer is responsible for receiving and handling comment response, and grievances. The CLO will coordinate the investigation and response to grievances. The CLSO is responsible for on-going monitoring and review of the effectiveness and efficacy of the Grievance Mechanism.

### **8.4 Procedure for Comment Response**

The steps taken by the company for receiving and handling any comments pertaining to the Project are outlined below.

### **STEP 1: Submitting a comment to Dundee Precious Metals Krumovgrad EAD**

A comment can be submitted to the company in a number of ways.

- During regular meetings held between communities and DPM;
- Through the Local Consultative Forums established in the affected villages;
- During informal meetings with DPM;
- Through communication directly with management – for example a letter addressed to site management, or other operational offices;
- Directly by e-mail to Lubomir.Marchev@dundeeprecious.com
- A telephone +359 (0) 36416802;
- Placing a comment in the community suggestion boxes\* in the information centre, located in Bulgaria, 6900 Krumovgrad, 10 Saedinenie Str.; and
- Through the Community Liaison Officer (CLO).

For comments that have been submitted informally, the CLO will arrange for a meeting where the comment can be explained in full and written down on a grievance and comment logging form (Appendix 4). For all comments the CLO will be the main point of contact, responsible for responding to the commenter.

\* To be set up next to community notice boards

### **STEP 2: Logging the comment**

Once a comment has been received it must first be logged in the comments and concerns register and the CLSO will be informed. As this register is a live document, an example it may be found in (Appendix 5)

### **STEP 3: Providing the initial response**

The person/community/stakeholder that lodged the initial comment will then be contacted within 7 days to acknowledge that DPM has logged the comment and provide feedback.

## **8.5 Procedure for Grievances**

The steps taken by the company for receiving and handling any such concerns are outlined below.

### **STEP 1: Submitting a grievance to DPM**

A grievance can be submitted to the company in a number of ways.

- During regular meetings held between communities and DPM;
- Through the Local Consultative Forums established in the affected villages;
- During informal meetings with DPM;

- Through communication directly with management – for example a letter addressed to site management, or other operational offices;
- Directly by e-mail to Lubomir.Marchev@dundeeprecious.com
- A telephone 00359 3641 6802;
- Placing a comment in the community suggestion boxes\* in the information centre; and
- Through the Community Liaison Officer (CLO).

For grievances that have been submitted informally, the CLO will arrange for a meeting where the grievance can be explained in full, written down, and agreed upon. For all grievances the CLO will be the main point of contact, responsible for updating the complainant about the process.

\* To be set up next to community notice boards

#### **STEP 2: Logging the grievance**

Once a grievance has been received it must first be logged in the grievance database register and the CLSO will be informed. As this register is a live document, an example it may be found in (Appendix 6).

#### **STEP 3: Providing the initial response**

The person/community/stakeholder that lodged the initial grievance will then be contacted within 7 days to acknowledge that DPM has logged the complaint. This response will either accept or refute possible responsibility for the grievance.

This notification will include details of the next steps for investigation of the grievance, including the person/department responsible for the case.

#### **STEP 4: Investigating the grievance**

Then the grievance should be investigated

DPM will aim to complete investigation within two weeks of the grievance first being logged.

Depending on the nature of the grievance, the approach and personnel involved in the investigation will vary. A complex problem may involve external experts for example. A more simple case may be easier, and quicker to investigate. DPM will involve the aggrieved in this investigation, where possible, to ensure participation.

DPM, through the CLO, will continually update the aggrieved on the progress of the investigation and the timeline for conclusion.

#### **STEP 5: Concluding/resolving the grievance**

The grievance should then be concluded

DPM will outline the steps taken to ensure that the grievance does not re-occur.

Consultation with aggrieved parties and views sought about company recommendations

If complainant is satisfied then CLSO should seek their sign off from General Manager.

#### **STEP 6: Taking further steps if the grievance remains open**

If however the grievance still stands then the CLO will initiate further investigation and determine the steps for future action.

### **8.6 Record Keeping**

All comment responses and, grievances are to be logged using the Comment Response, and Grievance logging forms and registers. This includes details of the comments/grievance, the commenter/aggrieved, and ultimately the steps taken to resolve the grievance. Hard copies of the form are to be kept at the project sites, whilst soft copies will be saved on the DPM server. Any accompanying documentation e.g. written statements, photographic evidence, or investigation reports are to be filed along with the grievance log both in hard and soft copies.

A master database will be maintained by the CLO to record and track management of all comments and grievances, and audited by the CLSO. This will serve to help monitor and improve performance of the Comment Response and, Grievance Mechanism.

### **8.7 Comment Response and, Grievance Mechanism Log**

A sample format for logging summary details of each comment response and, grievance is provided in Appendix 4. As noted above hard and soft copies should be kept on file.

**Note:**

- If it is a comment, the commented will receive a copy if he/she requests one
- If it is a Grievance, the aggrieved shall always receive a copy once complete for their own records.

### **8.8 Initial Response Template**

The template in Appendix 7 is an example of what should be used for providing the initial response to the aggrieved only in the case of Grievances. This should be written on headed paper. This response must be sent within 7 days of the grievance being entered into the logbook.

### **8.9 Monitoring and Review**

It is vitally important to monitor the effectiveness of the comment response and, grievance mechanism. Appropriate measures/KPIs for this include monthly reporting on the number of grievances received, resolved and outstanding. This will be undertaken by the CLSO and reported to the General Manager. As part of the annual review/report, analysing the trends and time taken for grievance resolution will help to evaluate the efficacy of the comment response and, grievance mechanism.



As part of stakeholder engagement and consultation, involving the views of the stakeholders for whom the Comment Response and, Grievance Mechanism is designed in this monitoring and review will help to improve effectiveness and stakeholder buy-in.

## 9.0 REFERENCES

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## APPENDICES





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**Appendix 1: Stakeholder Register**



**Appendix 2: Feedback Form**

<h1>Feedback Form</h1> <hr/>		
Context (purpose of engagement, community context):		
Stakeholder feedback/ incident/ comment/ query:	Follow up actions/ response taken:	
	Further follow up actions required?	
	Print name:	Signature:



**Appendix 3: Stakeholder Consultation Notes**

## Consultation notes

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Date:

Location:

Team leader:

Participants:

Notes

Key learning

Next steps for follow-up/clarification



Appendix 4: Sample of a Grievance and Comment logging form

<b>Name of Commenter/Aggrieved</b>		<b>Comment/Grievance Number</b>	
<b>Name of Organisation/Position</b>			
<b>Address</b>			
<b>Telephone/Fax</b>			
<b>Email Address</b>			
<b>Most effective means to send a response</b>	Mail <input type="checkbox"/>	Email <input type="checkbox"/>	Phone <input type="checkbox"/>
<b>Date of Comment/Grievance</b>			
<b>Date inputted</b>			
<b>Nature and location of Comment/Grievance</b>			
<b>Received by</b>			
<b>Initial Response details and sent by:</b>			
<b>Date of initial response</b>			
<b>Resolved/Addressed by</b>			
<b>Nature of Resolution</b>			
<b>Date of Resolution</b>			
<b>Signed (DPM rep)</b>			



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**Appendix 5: Commitments and Concern Register**





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**Appendix 6: Grievance Register**







**Appendix 7: Initial Response template**

(Enter todays date)

Dear (enter name of the aggrieved)

DPMI is writing to you regarding the grievance received on (enter date). DPM will *begin/not be* (delete as appropriate) investigating this grievance, as the Company feels that it *may be/is not* (delete as appropriate) responsible for the grievance.

*[If the Company is going to investigate this case further, please give summary details of the next steps in the investigation]*

The Community Relations Officer will serve as the Company point of contact for this case, and will update you as necessary. In the meantime please do not hesitate to contact him should you have any questions.

Kind Regards,

(Enter name)