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## ILOVITZA COPPER-GOLD PROJECT

# Report on Stakeholder Engagement for the ESIA (Round 1)

**Submitted to:**

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REPORT

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## 1.0 INTRODUCTION

Stakeholder engagement forms an integral part of the environmental and social impact assessment (ESIA) process as it provides stakeholders with Project information and an opportunity to comment and/or ask questions that will be addressed in the ESIA and management plans. Early and ongoing stakeholder engagement throughout the ESIA process is consistent with international good practice (i.e. EBRD and International Finance Corporation (IFC)) and required under Macedonian regulation of the EIA process.

The overall approach to stakeholder engagement for the Ilovitza Project is set out in the Stakeholder Engagement Plan (Golder report ref: 13514150363.512/B.0). Stakeholder engagement activities occur throughout the course of the ESIA, with public and face to face meetings supported by ongoing communications and information distribution. All stakeholder engagement materials will be written in Macedonian or presented in spoken Macedonian at meetings or public events.

This initial report relates to the first round of stakeholder engagement activities conducted in March and April 2015 at the resumption of the baseline studies<sup>1</sup> for the ESIA (which commenced in 2013) and at the beginning of the social baseline study.

In this document, the term 'Project' refers to all proposed mine facilities and associated infrastructure (e.g. access roads, power lines) and the activities associated to the construction, operation and closure of the mine facilities and associated infrastructure

## 1.1 Objectives of Stakeholder Engagement for ESIA

The fundamental principle of stakeholder engagement is for stakeholders to have meaningful input in the early stages of the ESIA. The program is designed to address the following three primary goals:

- 1) Identify stakeholders which may be affected by the Project and disseminate information to them and other concerned members of the public including, but not limited to, the Project description, potential environmental and socioeconomic effects, planned mitigation measures and monitoring throughout the various phases of the Project;
- 2) Actively seek comments from stakeholders regarding existing environmental and socioeconomic conditions in the Project area, potential environmental and/or socioeconomic effects of the Project and possible mitigation measures that could be incorporated to resolve those issues; and
- 3) Document and respond to all issues raised in a timely manner.

The stakeholder engagement will comprise of the following rounds of engagement, presented here with specific objectives for each round:

### ■ Round 1: Early baseline (March/April 2015)

- Present the Project description, introduce the ESIA team and briefly describe the approach to the ESIA;
- Allowing key stakeholders to raise issues of concern and suggestions for enhanced benefits via focus groups and key informant interviews; and
- To contribute relevant local information and knowledge to the ESIA.

<sup>1</sup> The majority of environmental and social baseline studies were put on hold from January 2014 to February 2015 while Euromax were completing the pre-feasibility study. Baseline data collection for meteorology, air quality and ecology continued during this period.



- **Round 2: At the completion of the baseline study phase (September 2015)**
  - Present results of the baseline and provide further information on the approach to the ESIA;
  - Provide opportunity for members of the public and key stakeholders to respond to the findings of the baseline and that their issues, comments, and suggestions have been considered in the approach to the ESIA and development of the Project design; and
  - For Euromax and the ESIA team to provide updates on Project progress and upcoming activities.
- **Round 3: At the completion of the impact assessment (Jan/Feb 2016)**
  - Present results of the ESIA;
  - for members of the public to verify that their issues, comments, and suggestions have been considered in the impact assessment or Project design; and
  - To allow for comment on the findings of the environmental and social impact assessment.
- **During the decision-making phase (Public Hearing, 2016)**
  - To provide an opportunity for members of the public to participate in the public hearings associated with the decision making process; and
  - To be notified of government comments on the ESIA and decision on whether or not the Project may proceed.

## 2.0 REGULATORY REQUIREMENTS

### 2.1 Republic of Macedonia

Under Article 82 of the Macedonian Law on Environment, the body of the state administration responsible for the affairs of the environment (the Ministry of Environment and Physical Planning [MOEPP]) is responsible for setting the scope of the environmental impact assessment, including those legal entities that should be consulted during the preparation of the EIA. Prior to the engagement activities in Round 1, Euromax identified potentially affected groups and their representatives, village leaderships and Municipal Governments and other interested parties to participate. Prior to Round 2 of stakeholder engagement, Euromax will consult with the MOEPP on the stakeholder list, the approach and content of the ESIA. Stakeholders identified by MOEPP will be included in future meetings, if they were not involved in this initial round.

The Law on Environment (Republic of Macedonia, 2005) also requires public consultation during the disclosure of the EIA report, which takes the form of public hearings to be held in the municipalities within which the Project is located. This will form part of the scope of Round 3.

### 2.2 International Good Practice

International good practice requires that stakeholders are identified in a transparent, defined and public manner. Stakeholder groups should include the State, sectoral institutions, local administrations, local residents, influential persons (local leaders), non-government organisations (NGOs), local institutions (health, education), and the general public. The interests of all relevant stakeholder groups must be addressed throughout the ESIA process, with concerns and responses included in the final ESIA.

International guidelines further require that stakeholder engagement must build and maintain a constructive relationship with affected communities; engagement must be free of external manipulation or interference, and conducted on the basis of timely, relevant, understandable, and accessible information (EBRD 2014, IFC 2012).



### 2.3 Euromax Policies

Euromax addresses community and stakeholder engagement in a number of policy documents including the Euromax Resources Community Policy (Appendix A). Euromax also sets out the importance of stakeholder engagement in the draft Environmental and Social Design Criteria Working Document (report ref: 1023/01/2013v1, dated January 2014), which states:

*International ESIA best practice emphasises the importance of stakeholder engagement from the outset of any major project through to its eventual completion, which in the case of Ilovitza will be its successful closure. This requires a clear project communication strategy, plan and programme with a dedicated team to execute the programme.*

*Stakeholder engagement shares information and knowledge, seeks to understand the concerns of others and builds relationships based on collaboration and partnership. It is a long-term process that must be transparent and demonstrate accountability in order to address the expectations of stakeholders and especially those of local communities.*

*Euromax communication planning recognises this. Regular consultation with local and national stakeholders is ongoing and seen as one of the most important activities in ensuring the Project contributes to positive, long-term social and economic development.*

## 3.0 ROUND 1 STAKEHOLDER ENGAGEMENT

### 3.1 The Stakeholder Engagement Team

The stakeholder engagement team comprised representatives from Golder Associates and Euromax and a local Macedonian teacher who acted in the role of translator and interpreter. The ESIA stakeholder engagement team was led by Golder Associates (Golder).

**Table 2-1: Golder ESIA Stakeholder Engagement Team**

Team Member	Role	Qualification	Golder Office
Linda Havers	ESIA Stakeholder Engagement Lead	MSc	Canada
Michaela Simms	ESIA Practitioner	BSc	United Kingdom

The Golder team was accompanied by various members of the Euromax team at the different meetings: Dragi Peltechki (Mining Engineer, Strumica), Elizabeta Stoeva (Community Liaison Officer, Ilovica), Pat Forward (Technical Director, London), and Kate Harcourt (Environmental and Social Manager, United Kingdom).

The Macedonian-based Euromax team was responsible for organising the meetings and distributing information to attendees prior to the meetings. Golder was able to draw on the relationships built with the Mayors of Bosilovo and Novo Selo, municipal leaders, and surrounding communities to ensure the successful dissemination of Project-related information and free communication of issues and concerns. The Euromax team were present at all meetings, providing responses to comments on behalf of the Project, where appropriate.

The public relations firm 'ImagePR' were present at a meeting with the Mayor of Bosilovo on 27 March 2015 to facilitate a media release and joint statement to media representatives by the Mayor and Dragi Peltechki on behalf of Euromax.



### 3.2 Methodology

The first round of stakeholder engagement focussed on meetings with the Mayors and municipalities within which the Project will occur, as well as focus group meetings with various groups from whom valuable socio-economic and community information can be gathered<sup>2</sup>. The following meetings were held:

Date of Meeting	Meeting Attendees
25 March	Municipality of Novo Selo – Mayor and interested municipality employees / counsellors
26 March	Municipal leaders focus group
27 March	Municipality of Bosilovo – Mayor and interested municipality employees / counsellors
28 March	Federation of Farmers focus group
30 March	Business focus group
30 March	Young adults focus group
31 March	Emergency services focus group
31 March	Healthcare focus group
3 April	Education focus group
3 April	Bosilovo Hunters Association

All meetings were organised by Euromax and participants were provided with the Project leaflet (Appendix C) and the focus group questions, as appropriate. These materials were distributed in advance of the meetings to enable participants to prepare for the meeting.

A powerpoint presentation and leaflet were used to communicate the proposed Project and the ESIA and stakeholder engagement processes (Appendix C). Approximately 40 individuals participated in nine organised meetings with the municipalities and focus groups. Attendance registers and minutes of the meetings are presented in Appendix D. A summary of key issues, questions, and areas for follow-up are presented in Section 4 of this report.

#### 3.2.1 Meetings with Municipalities

A powerpoint presentation (Appendix C) was given at the two meetings held with the Mayors of Bosilovo and Novo Selo, members of their staff, council members, and guests (at the invitation of the Mayor). The powerpoint presentation was developed by Golder Associates and Euromax to provide an overview of the Project and the ESIA and stakeholder engagement processes, and was presented at both meetings by Elizabeta Stoeva. Following the presentation, the floor was opened to comments and questions from the attendees.

On the morning of the meeting with the Mayor of the Municipality of Bosilovo, a press release and joint statement was made by the Mayor and Euromax. This media event was attended by numerous media outlets (TV channels 'VIS', 'Intel TV' and 'A1 TV' which collaborate with national TV channels 'Channel 5', 'Sitel', and 'MRT' respectively, the Jugoinfo portal, and Dnevik Daily) and was reported on in the coming days. Reports are available online:

- <http://strumicadenes.mk/prezentiran-proektoto-za-bakar-i-zlato-pred-administracijata-na-opstina-bosilvo/>
- <http://strumicanet.com/index.php/bosilovo/item/1066-euromaks-kje-vrshi-istrazhuvanje-na-naselenieto-okolu-idniot-rudnik-za-bakar-i-zlato-ilovica>
- [http://kanal5.com.mk/vesti\\_detail.asp?ID=65225](http://kanal5.com.mk/vesti_detail.asp?ID=65225)

<sup>2</sup> Additional meetings are planned with religious leaders, police service, Novo Selo Hunters Association, primary school principal.



### 3.2.2 Concurrent Activities

At the same time as stakeholder engagement was being conducted, a household survey for the socio-economic baseline was also underway in the villages of Ilovica and Shtuka. An announcement regarding this survey had been posted in village shops, in the window of the Euromax Information Centre in Ilovica, and on the Euromax website and Facebook page. Participants in the focus groups who live in these villages reported being aware of the survey and had a generally high level of knowledge of the Project and Euromax's ongoing activities in the area.

### 3.3 Results

There was great interest in the Project and participants were appreciative of the opportunity to meet and discuss the Project. For many people this was their first experience of ESIA, so there was an understandable tendency to raise issues which were not strictly relevant to an impact assessment (particularly employment and details of the Project's operations). Responses to these questions were given by Euromax.

The key comments, concerns, questions, and suggestions raised by participants during the stakeholder engagement meetings are summarised below in categories. The full record of the meetings is presented in Appendix D and photographs of the meetings are presented in Appendix E. Main themes from the meetings were:

- Concern regarding environmental impacts, mainly associated with the negative impacts from the Buchim mine many years ago. Participants wanted to know how the Ilovitza Project will be different. Key environmental concerns related to water quality, air quality and impacts to households, agriculture, and livelihoods.  
*The response given to questions or concerns of this nature related to the ESIA process and the application of mitigation and management measures to eliminate and reduce impacts. Golder participants explained that at the time of the meetings, we are very early in the process and do not yet have answers regarding potential impacts, but we are collecting baseline data and will be returning to discuss these results later in the year and will return again to discuss impacts and mitigation measures. Concerns regarding Buchim were addressed by discussing the development of environmental regulation and expectations regarding environmental performance since the time that the Buchim Mine was established. The Ilovitza Project will be constructed and operated to meet a much higher standard of environmental performance.*
- Desire to have more information related to the actual environmental impacts, generally as a consequence of not understanding the impact assessment process and where we currently are in the process.  
*As noted above, Golder participants explained that at the time of the meetings, we are very early in the process and do not yet have answers regarding potential impacts, but we are collecting baseline data and will be returning to discuss these results later in the year and will return again to discuss impacts and mitigation measures.*
- Desire to have jobs for local people and to establish the necessary training to enable local people to benefit from the mine's activities. 'Local' was defined as in close proximity to the Project.  
*Golder and Euromax participants confirmed that there will be employment opportunities associated with the Project and that first priority will be given to local people if they are suitable for the role. It was reinforced that some positions will require prior experience or specialist training and these roles might not be filled by local people. Local procurement was also discussed as an opportunity for the local community to benefit from the Project.*

All comments and questions have been forwarded to the ESIA specialists to ensure that they are appropriately considered in the baseline data gathering. All comments and questions will be compiled in the stakeholder engagement database to steer the ESIA and future stakeholder engagement activities.



Specific issues/questions are listed below under broad categories of interest:

### Local Employment

- Participants asked that local people be prioritised for jobs.
- Participants asked for employment profiles for the Project
- Participants expressed concern about out-migration as a constraint to business development and economic growth

### Water Supply

- Will the mine cause contamination of water supply to the villages? Water quality is already poor.
- Villages use a variety of water supplies.
- People expressed concern about changes to water quality and asked what the approach to water quality monitoring would be
- Participants expressed concern that the Sushica village water catchment is planned in the same area as the tailings management facility

### Agriculture

- Will there be impacts to agricultural land from contamination of the air and water?
- Participants (Ilovica) expressed concern that agricultural products produced in the area would not be purchased for fear that the water and soils in the area are polluted; Those that breed cattle would also see an effect on sales if pasture lands are polluted or if there is stigma due to the presence of the mine and perception of water and soils contamination.
- Comment was made that the Buchim scenario is feared by agriculturalists.

### Project Design

- Participant asked if the ore is being processed on Site.
- Will floatation be used?
- Where will waste be stored?
- People expressed concern about trucks moving ore through villages on roads that are in poor condition and where there are schools and school children walking to and from school

### Environmental Concerns and Environmental Assessment Process

- People expressed concern that environmental assessments were done in the past and mitigation was not implemented and monitoring results did not trigger additional mitigation
- Buchim and Valass Projects are examples of mines that have had negative impacts.
- Participant asked what assurance there was if environmental performance was poor, that Euromax mitigate or would respond with additional mitigation to unfavourable monitoring results; the suggestion from the participant was that the mine would not stop production and the Government would not revoke their license. So, how can affected villagers be sure that Euromax will do as it says it will?





- Participant asked if air quality will be monitored
- Participant asked what the output of the mine will be in terms of heavy metals? This participant suggested soil analysis be taken at various depths.
- A comment was made that reiterated the need for demonstrated community benefits in addition to environmental mitigations.
- Participant expressed concern that noise from current activities has driven animals away.

### Ongoing Engagement and Information Sharing

- People want opportunities to ask more questions and raise issues as information becomes available.
- Participant asked which documents would be publicly disclosed. Will there only be disclosure to the national government? Will the PD and design criteria be disclosed?
- Participant asked where the public hearing (consultation) will be held.
- Participant commented that retired people do not have enough information (are not represented by an organisation, although there are some Associations for retired people in some Municipalities).

## 4.0 REFERENCES

EBRD (European Bank for Reconstruction and Development). 2014. *Environmental and Social Policy*. Revised May 2014, London, UK.

IFC (International Finance Corporation). 2012. *Performance Standards on Environmental and Social Sustainability – Guidance Notes*. International Finance Corporation, World Bank Group, Washington DC.

Republic of Macedonia. 2005. *The Law on Environment [translated to English]*. The Ministry of Environment and Physical Planning, Skopje, June 2005.



## Report Signature Page

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# APPENDIX A

## Euromax Resources Community Policy



# APPENDIX B

## Preliminary List of Stakeholders



# APPENDIX C

## Stakeholder Engagement Materials



# APPENDIX D

## Meeting Schedule and Minutes - Stakeholder Engagement, Round 1



# APPENDIX E

## Photographs of Stakeholder Engagement Meetings

At Golder Associates we strive to be the most respected global company providing consulting, design, and construction services in earth, environment, and related areas of energy. Employee owned since our formation in 1960, our focus, unique culture and operating environment offer opportunities and the freedom to excel, which attracts the leading specialists in our fields. Golder professionals take the time to build an understanding of client needs and of the specific environments in which they operate. We continue to expand our technical capabilities and have experienced steady growth with employees who operate from offices located throughout Africa, Asia, Australasia, Europe, North America, and South America.

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