



# Panama Canal Expansion Program Stakeholder Engagement

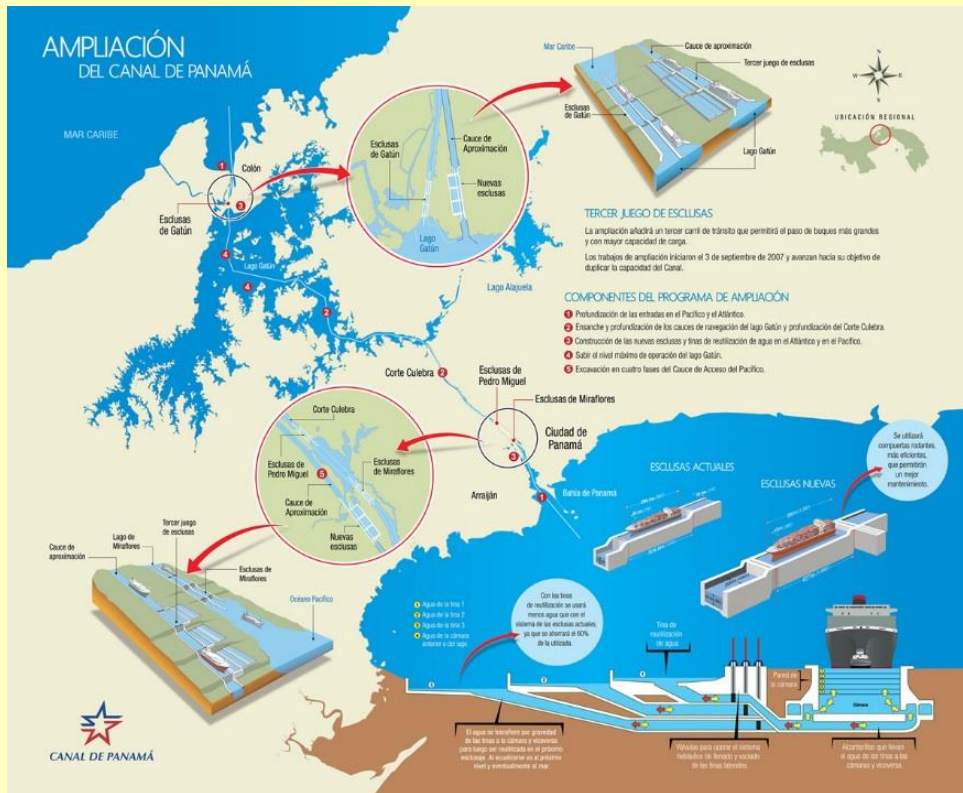
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# Panama Canal Expansion Program

Canal – Inalienable Patrimony of Panamanian Nation

Yes/No Referendum  
(Law 28, 2006)



# Environmental & Social Studies (2006-2007)



## *PB Environmental and Social Studies*

- The **Environmental Feasibility Report** (summary of the environmental and social studies performed between 1998 and 2006, the anticipated impacts of the Expansion Program, and the environmental viability of the project)
- A **GAP analysis** (identification of studies required for the completion of the EIA for the Expansion Program)
- An assessment of the **main effects during construction** (transportation network, land and water access, air pollution, noise and vibration)
- An analysis of the selection of the **disposal sites for the dredging** component of the project (their suitability, environmental effects, mitigation and monitoring programs)
- A **sediment sampling program** (provided a characterization of the nature and contaminant levels in sediments at the bottom of the Canal)
- **2 EIAs** for excavation work leveling the Cartagena Hill, and the dredging of the Pacific Approach Channel
- The predicted effects of the expansion on **global GHG emissions** due to changes in worldwide shipping patterns

1. Greater community participation in Canal operations



2. Stakeholder engagement process key to ensure a 'social license' to operate

- ❑ key principles & criteria for effective public involvement
- ❑ role of ESIA process

3. Expansion Program – a great opportunity to truly open the Canal to Panamanians (including to *taxi drivers*)



# Assessing effective Public Participation

**Key Principles:** Inclusive, Open and Transparent, Relevant, Fair, Responsive, Credible (*Standards of public involvement from Aarhus Convention, 1998*)

Based on UNEP lists of 4 interrelated components of effective public participation (Clark, 1994):

1. Early identification and implication of the **groups/individuals** affected by or interested/involved in the project — affected people and general civil society, institutions and government agencies, the developer, consulting firms.
2. Provision of accurate, understandable, pertinent and timely **information**
3. **Dialogue** between those responsible for the decisions and those affected by them
4. Assimilation of **feedback** from all members of the public

# A new direction for Stakeholder Engagement

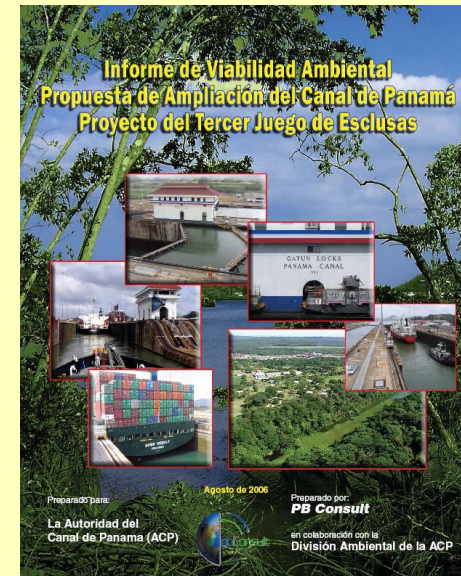
## *Pre-Referendum time*

- Very limited public input – a **Country within a Country**
- *1998 – 2006* – Moving toward greater public participation & information disclosure
  - ❖ *1999*. Internal environmental regulations, including **EIA regulations** for any canal activities
  - ❖ *2006*. If people voted in favor of the **Referendum**, the Expansion Programme would comply with the **national EIA legislation** and approval by the Panamanian Environmental Authority (ANAM)
  - ❖ ACP **new** to the national EIA process and related public participation process

# Leading up to the Referendum

## *Pre-Referendum time*

- 1998-2006. 100 preliminary studies, including **environmental & social studies** for 30 alternatives
- Example of redesigning earlier alternatives to **address social concerns** (flooding of additional areas & physical displacement)
- Final design - considered the best alternative & also addressed a major social concern
- **5-month dissemination** process, including Environmental feasibility report
- **First time** Panamanians were allowed to participate in Canal decision-making



# Leading up to the Referendum (Cont.)

## *Pre-Referendum time*

- 65 official trained speakers who travelled around the country to talk at meetings, on radio, TV and with the press

*'we went all over the country talking about the canal, what it does, what it did then, what it is doing now, and what it could do with the expansion' (ACP CEO Jorge L. Quijano, Feb 2015)*

- Reached the traditionally less participative groups.

Events at Indian villages with traditional dances and meals





# Referendum – October 22, 2006

- The vote was in favor with **78% voting yes** to the question

*‘Do you approve the proposal for the construction of a Third Set of Locks for the Panama Canal?’*

- Demonstrated **national consent**
- Other key outcomes from the Referendum:
  - ❖ Ad Hoc Committee of Citizens
  - ❖ First time ANAM would approve ESIA for canal projects
  - ❖ Other measures implemented as a result of Law 28 (2006): community relations program; public communication program; corporate social responsibility program



# Fulfilling National E&S Requirements

## *Post-Referendum*

- *November 2006 - July 2007. 4 ESIA*s for some initial works:
  - ❖ Excavation work leveling the Cartagena Hill, relocation of a roadway and high-voltage transmission line
  - ❖ Dredging of the Pacific Approach Channel
  - ❖ Rehabilitation of UXO T6 site
  - ❖ Road for the yachts' club in Gatun locks
- **Public Participation Plan** for each ESIA undertaken to comply with the national EIA legislation.
- Key for the public participation process as it was the **first time a Canal project** was subject to ANAM EIA legislation
  - ❖ workshops with ACP environmental & engineering teams
  - ❖ training to ANAM staff
  - ❖ site visits to the study area



# Fulfilling National E&S Requirements

## *ESIA for the 'Third Set of Locks' Project (2007)*

- A comprehensive **Public Participation Plan** within the ESIA
  - ❖ **680 surveys** and **interviews** of interest groups (communities, organizations, and institutions)
  - ❖ **2 public consultations forums** held in August 2007 (Panama city and Colon)
  - ❖ **Community Relations Offices** established in Panama city & Colon
  - ❖ Consultations with **38** national & regional organizations
  - ❖ **Types of organizations:** 4 religious groups, 3 governmental, 10 NGOs, 6 commercial, 5 business associations, 2 professional associations, and 8 labor organizations (*including taxi drivers*)
  - ❖ Results: *'it is most likely that the population will favor rather than oppose the Project's implementation, as was evidence by the Referendum'* (ESIA – Category III)

# Public Participation Techniques & Methods

## *During and after the Referendum (2006-2007)*

- more than 1,000 participative and informative programmes on television and radio
- nearly 2,100 meetings held in less formal venues, where information could be disseminated directly to approximately 236,000 Panamanians
- a free telephone line that people could call to get answers to their questions about the project. During the time this line was available, from 29 May to 20 October 2007, 21,268 calls were received
- ACP's Web site ([www.pancanal.com](http://www.pancanal.com)), which was visited almost 5.2 million times between 25 April and 30 December 2007. More than 1 million messages related to the project were registered
- project e-mail address ([ampliación@pancanal.com](mailto:ampliación@pancanal.com)), from where 4,600 e-mail inquiries were answered
- 18 Information Centers were set up in various cities and towns
- 2 mobile units that visited the provinces of Chiriquí, Herrera, Veraguas, Colón, Darién, Coclé, Los Santos y Panamá
- Approximately 820,000 copies of national newspapers released with information about the project
- Thousands of leaflets, comics (designed for illiterate people), etc. distributed.
- Local access of project documentation (e.g. ESIA's, other environmental studies, etc.): the Canal, 16 information centers established by ACP in each of the 9 provinces



ANAM approved the ESIA and Works on the Panama Canal Expansion began on September 2007

# Stakeholder Engagement

## *A year later (2008)*

- *'The communication and consultation process on the Canal expansion project are extensive and done in a manner consistent with IFC's Performance Standards'*

- 2007-2008. Some indicators:

- ❖ **34,500 people** visited the 16 ACP information and orientation centers
- ❖ **26,268 phone calls** were registered by the ACP Response Line
- ❖ **10,120 persons** attended the **mobile unit campaign** to disseminate information to rural areas (known as "the canal reaches you" Program)
- ❖ **Over 820,000 copies** of Canal and Canal expansion-related literature distributed
- ❖ Over **3.6 million visitor hits** at the 'www.pancanal.com' site *(information on press communications, the Panama Canal Information Centers, additional information dissemination, or regular publications, such as El Faro, covering canal expansion activities)*

*(IFC's E&S Review Summary, August 2008)*

- **Quarterly reports** with project updates and **semi-annual environmental reports** (done by independent consultant) to the Ministry of Environment. Available at [www.pancanal.com](http://www.pancanal.com) site

# Other elements of Stakeholder Engagement

## ACP Grievance Mechanism

- **Internal grievance procedure** for its employees and **Code of Ethics**
- **A general complaint system with an emergency toll free telephone number** to call and a way to express concerns about on-going operations. Questions or complaints can **also be sent via email** [ampliacion@pancanal.com](mailto:ampliacion@pancanal.com)
- **Independent inspector** to report complaints directly to the contractor or ACP
- **Protocols** established for people living near areas of construction activity, including a **conflict resolution procedures** developed under the ESIA's

## Community Development Projects

- ACP supports a range of **community-based social and environmental development projects**

# Conclusions

## 1. Great efforts to open the Canal to Panamanians by . . .

- following **good governance** practice and adding **transparency** in decision-making
- securing fundamental rights through greater **public participation process**

## 2. The Expansion Program

- Its proposal depended on the consent of Panamanians (Referendum, 2006)
- It has been the **main driver** for truly opening the Canal to people, including **taxi drivers**

## 3. Key challenges . . .

- **Size** and **nature** of this megaproject
- **History** of the Canal and nature of **ACP**. First time that . . .
  - a) Panamanians participated in key decision-making for Canal operations
  - b) National environmental and social regulations were applied to Canal operations

## 4. Mitigating these challenges . . .

- Comprehensive, inclusive, ongoing & 'fit for purpose' **Stakeholder Engagement**

# Lessons Learned for future Mega-projects

## The stakeholder engagement process tries to

- follow key principles for **Good Governance practice** (e.g. transparency, accountability, measurability, & trackability of results based on sound information)
- be **inclusive** (a good 'Stakeholder mapping' exercise)
- be **relevant** and a **credible** process (focused on issues that matter. E.g. Env. Feasibility Report in referendum)
- All these aspects help build **confidence** and **trust**

- Yes/No Referendum
- Community Relations Program
- Public Communication Program
- Corporate Social Responsibility Program
- ESIA's (e.g. preliminary environmental studies, stakeholder mapping, public participation plans, environmental and social monitoring)
- Publication of quarterly reports (with project updates) and semi-annual environmental reports
- Grievance mechanisms in place (e.g. ACP internal grievance procedures, code of ethics, complaint system, independent inspectors, conflict resolutions procedures)





# Lessons Learned for future Megaprojects (Cont.)

## Also because...

- The project was planned, developed, and implemented taking into account the views and concerns of stakeholders, including affected communities.
- The project has shown the importance of . . .

- *Systematic & timely planning* - 'ladder' of steps of increasing intensity and interaction
- *Early identification & implication of stakeholders* - Referendum and ESIA's
- *Provision of accurate, understandable, pertinent and timely information* (e.g. environmental feasibility report, techniques to reach less participative groups and communities, formal training to ANAM, a mix of methods is necessary as part of a systematic process of stakeholder engagement).
- *Dialogue between decision-makers and stakeholders* (e.g. Ad Hoc Committee of citizens, Public Participation Plans through ESIA's, etc.)
- *Process responsive to stakeholder inputs*, creating a sense of ownership (e.g. assimilation of major social concerns addressed at pre-feasibility stage).



*Thank you*

