



Case Study

Aurania–Ecuasolidus— Lost Cities Project

Subsidiary Ecuasolidus
Conflict-Free Land Access:
Collaborative Early Indigenous
Engagement

Aurania–Ecuasolidus, a Canadian exploration company, has obtained the largest mineral exploration concession in Ecuador, of approximately 200,000 hectares, in the Bosque Protector del Kutuku (Kutuku Protected Forest) in the Ecuadorian Amazonia. The Lost Cities Project resulted from historic research dating to the 16th century when Spaniards occupied the region, digging mines. The project not only seeks to find the Spaniards' old mines, but also looks to conduct exploration in the region, as the area has the great potential for gold and copper to be found today. Companies looking to begin mineral exploration in regions with high mineral potential must obtain community approval for land access. In the case of the Lost Cities Project, the region has been occupied by the Shuar Indigenous peoples for centuries. Back in the days of the Spaniards, the Shuars faced severe abuse which remains in their collective memory to this day. Shuars distrust foreigners or any outsiders, including the government. Today's abuses include not having basic needs satisfied, non-inclusion, and a high level of discrimination permeating the job market. Shuars distrust the mining industry, as they have seen projects in which corruption and conflict led to violence or to losing their rights over the land. Extreme poverty, corruption, and distrust of mining are amongst the reasons Shuars grew to oppose mineral exploration in their land, in which they hold a great deal of pride. Amongst their concerns are issues regarding environmental impact and the risk of losing their land rights. This situation, coupled with the need to obtain land access and Shuar approval, is why Aurania–Ecuasolidus hired O Trade to work towards building a relationship with Shuar Indigenous, managing social conflict and building solutions that work towards the development of Indigenous peoples.





Solution

- Prior to starting work in Ecuador, O Trade did extensive research regarding Shuar Indigenous, from their culture to their interaction in the socio-economic environment of Morona Santiago, where the Lost Cities Project is based. This helped O Trade begin a journey towards understanding the facts, needs, and concerns of Shuar communities and addressing development through mineral exploration. Findings allowed for a socio-economic and social conflict diagnosis which led to a design for Aurania's highly successful land access strategy.
- O Trade defined the project's area of influence and exposure to impacts in early exploration. Findings conclude that within the area of influence there is a growing population of approximately 7,000 people living in 56 communities. The Shuar's live in conditions which qualify as extreme poverty, in accordance to UNDP–United Nations Development Program–Measurement of Poverty (including lack of access to clean water, limited access to formal education and healthcare, high discrimination in the job market, and environmental degradation due to illegal lumber trade, among other factors).
 - o Lack of clean water, sewage and sanitation systems have increased likelihood of disease, which mostly, and regrettably, impacts children (2,800 estimated number of kids live within the region). Sanitation is also at risk due to an increase in the numbers of people living under a single roof (up to 10 people may share the same home). Respiratory diseases appear due to the wood used for cooking.
 - o A staggeringly high unemployment rate amongst Shuars, strongly linked to discrimination and extreme isolation, makes their capacity to earn money so they and their families may survive relatively low. Today approximately 4,200 Shuars are of working age; indeed, a majority of the population is composed of youth.
- After root causes were identified, O Trade successfully designed an approach to early Indigenous engagement and land access. All efforts in this area led towards obtaining a “social license to operate” by following 4 key steps:
 - o With research and study, they understood the root cause of the conflict.
 - o To overcome these conflicts, O Trade included Indigenous communities throughout the entire process.
 - o Each of the 56 communities and Indigenous peoples received respect and equal treatment throughout the process, maintaining their dignity. Their connection with the environment was recognized, understood, and respected.
 - o This led to mutual agreements honoring their rights and Aurania–Ecuasolidus's responsibilities.
- O Trade also collaborated closely with Ecuador's Ministry of Environment, Ministry of Justice, Human Rights Secretariat, and Ministry of Agriculture to ensure Indigenous territories were respected, thus honoring their basic rights. The company made an effort to comply with the highest international standards regarding Indigenous Rights and Protected Areas.
- Finally, O Trade educated Shuar women and men in their own Indigenous rights, ensuring the community is actively aware so that nobody can take advantage of them in future.

Impact/Benefit for the Operation

- Aurania – Ecuasolidus’s mineral exploration is operationally efficient, with no conflict-related work stoppages having occurred that could have impacted the financial results of the company. Interactions are actively collaborative between the Shuar community, regulatory authorities and the company, including environmental preservation and water monitoring efforts.

Impact/Benefit for Indigenous Relations

- O Trade’s work in Corporate Social Responsibility changed the mindset of Shuar communities in the area, from one of fear and opposition to one of hope, trust, and collaboration. This is an example of what world class stakeholder engagement is capable of accomplishing.
- The acceptance of O Trade’s approach led to over 90 land access and collaboration agreements being signed in a mere 3 years.
- O Trade built the groundwork for a relationship of trust, inclusion, and collaboration, in which all were treated as equal. A fundamental result of this mindset shift is an unprecedented run of ZERO cases of conflict or internal violence between

communities working in mineral exploration.

- o From 2017 to 2020, O Trade built a ground-breaking conflict-free environment for mineral exploration in Shuar territories, thus allowing for non-disrupted operations as well as giving importance to Indigenous Relations, Land Access and Stakeholder Engagement.
- Over 1,300 short-term job opportunities have since been created, and approximately 800 families in communities with agreements and completed work have benefited from the Indigenous early engagement strategy. Indeed, a huge 96% of Aurania – Ecuasolidus’s subsidiary Ecuasolidus are local Shuar Indigenous and Morona Santiago communities.
- Shuar Indigenous have granted the project a social license to operate, and are now actively involved, being consulted and included in all processes of mineral exploration which take place within their territories.
- Over 1,500 Indigenous, including women and youth, actively participated in training in Human Rights and Indigenous Rights. This amount is an estimate of 3,000 training hours, from the engagement and education about mineral explorations, to the signature of community land access agreements.
- Social Investment programs designed by O Trade were highly effective and cost-efficient while successfully addressing core issues. With 100% participation from the Shuar community, O Trade became instrumental in addressing the needs of communities in the area, but most importantly, in guaranteeing the participation of Shuar Indigenous peoples in its implementation.
- Two (2) schools will begin operating in 2020, thus beginning to address the needs of primary and secondary schooling for Indigenous youth.



O Trade’s work in this case highlights our effort towards contributing to the following **SDGs**:

