Improving EIA Processes in Developing Countries: The Case of the Peruvian Mining Industry

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Introduction

- Peru is located in west central South America
- Most mining operations are located close to the Andean mountains

Peru

Introduction (cont.)

- Mining was an important activity during the time of the Inca & Colonial periods
- Presently, mining is extremely important to the Peruvian economy
- Peru has been a substantial amount of environmental degradation from the mining

Mining during the 1990s

- The Shinning Path terrorist movement was suppressed
- Peru adopted a neoliberal economic regime
- Many Canadian companies moved to Peru
- The 1990s saw an immense surge in mining industry in Peru

Mining and the Environment

- Mining is an activity with a unique, and substantial potential for environmental degradation

- Hardrock mining has an ecological footprint

Mining and the Environment (cont.)

- Hardrock mining projects are subjected to some degree of environmental impact assessment (EIA)
- The purpose of EIA is to ensure that development projects to enhance their benefits and to minimize their environmental costs (Thompson, 2002:231)

EIA and Peruvian Mining

- EIA became a component of Peruvian environmental law on September 7, 1990
  - Environment and Natural Resources Code (Legislative Decree No. 613)

- Environment and Natural Resources Code
  - Requires an environmental impact study (EIS) to be prepared by the mining project proponent and to be submitted to MEM prior to the development of a mine

Cumulative Effects Assessment (CEA)

- CEA is the process of considering the effects of the project when taken in conjunction with other activities

- The Environment and Natural Resources Code is silent with respect to cumulative effects

Cumulative Effects Assessment (Cont.)

Solution:

- Adding a requirement for cumulative effects assessment in the Peruvian EIA process would strengthen the Peruvian EIA regime

Public Participation

- A salient aspect of EIA evaluation is the extent to which stakeholders are entitled to meaningful participation in the EIA process
- Public participation provides benefits: moral and ethical obligations to the public, access to better information and different perspectives, and better chances of public acceptance of approved projects (Thompson, 2002)
- To facilitate public or citizen participation MEM passed the Citizen Participation Regulations (December 30th, 1999)

Public Participation (Cont.)

Solution:

- The Peruvian EIA process includes provisions for public participation. However, public participation could be improved by taking into account all stakeholders' concerns into the EIA process

The Administration of Peru's EIA System

- The Minister of Energy and Mines (MEM) is in charge of the administration of EIAs in the mining industry in Peru
- EIA in Peru is not an effective tool
- For many years public consultation has been just a process of listening to the presentations with no feedback from the MEM to the concerns of stakeholders (Grufides, November 19, 2003)

The Administration of Peru's EIA System

Solution:

- Grufides (2003) attributes the inefficiency of EIAs to the weak presence of the MEM in the region where mining companies operate. More economic resources and building capacity within local educational institutions would help to overcome this problem.

The Sectoral Nature of Peruvian EIA

- In Peru the project proponent prepares the Environmental Impact Statement (EIS)
- The EIS prepared in Peru are too long and technical

The Sectoral Nature of Peruvian EIA

Solution:

- The sectoral nature of Peru's EIA process is a potential conflict of interest: MEM is responsible for the promotion and regulation of mining in the country. Functions should be separated into two different, independent entities.

- Business Case for EIA: it is not a cost but an investment. If EIA is done well all stakeholders benefit

Capacity Building

- Capacity building (CB) is a broad concept that includes individuals, organizations (especially universities) and societies that interact within an environment
- CB is a process by which individuals, organizations, institutions and societies develop abilities to perform functions, solve problems and set and achieve objectives
- Barriers to CB: institutional, organizational and cultural
- CB may occur in three different levels: the system, the entity, and the individual

Capacity Building (cont.)

Solution:

- Mining MNCs should assist governments and universities to increase capacity to do EIA, in particular, in constructive EIA process.

Conclusions

- Capacity building within educational institutions plays an important role to improve the EIA process.
- Enhanced capacity and requirements for cumulative impact assessment are necessary in a constructive EIA process, and will enhance benefits.
- EIA process in Peru will be improved only through improved human resources and support from them within government organizations.

Conclusions (cont.)

- Separation of responsibility for mining EIAs from the Ministry of Energy and Mines will improve governance and benefits.

- Improved public participation by both mining companies and government organizations will provide benefits

- Requirements for post EIA follow up - monitoring, auditing, and reporting will ensure optimum environmental performance.