



Module 2 of the Learning Alliance on Extractive Industries aimed to share knowledge on a range of issues regarding environmental protection and mitigation in the context of extractive industries. Participants exchanged their own perspectives and assessed how such knowledge could be adapted to their own regions.

EXTRACTIVE INDUSTRIES: ENVIRONMENTAL PROTECTION AND MITIGATION

SUMMARY

In Module 2, the Moderator introduces some examples of Latin American processes for improving environmental policies in the context of extractive industries and invites participants to compare the challenges and debates around the implementation of the Environment Impact Assessment (EIA) in Latin America and in their own countries. Finally, the Moderator opens up a discussion around the dilemma between conservation and extraction.

The posts and main conclusions from the discussions are summarised in this document. Materials shared by the Moderator and participants are hyperlinked and relevant contributions are included in text boxes. Finally, the Moderator's conclusions for the whole module are presented.





KEY ISSUES:

- The incorporation of the Environmental Impact Assessment (EIA) into environmental management policies as a mandatory tool to evaluate the environmental impacts of potential extractive projects has been advantageous but has faced multiple implementation challenges.
- The adoption of environmental provisions such as Environmental Quality Standards (EQS) and Maximum Permitted Levels (MPL) by both the public and private sectors has enhanced environmental regulations.
- In order to establish technically and socially adequate disaster management systems, strong design, professional capacity and local legitimisation and participation are essential.

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Week 1: Introduction to the issue on Environmental Protection and Mitigation in Extractive Industry Projects

Introduction

During the first week, the Moderator introduced the module theme, which included topics such as environmental protection and mitigation, as well as conservation mechanisms in the context of extractive project expansion. These issues are central since all extractive projects could potentially disrupt the environment, thus clear rules to prevent or mitigate environmental impacts need to be put in place.

Since the 1990s, Latin American states have gradually improved their policy tools to assess, prevent and mitigate potential environmental damage from extractive projects. Likewise, some extractive corporations have improved their environmental standards (see the [ELLA Guide: Accessing Land for Extractive Industries: Socially and Environmentally Sustainable Approaches](#)). These general improvements in environmental regulation and practice have been encouraged thanks to the work of several institutions (see [ELLA Spotlight on Organisations: Extractive Industries and Land Use](#)).

General questions addressed to LEA members:

What are the most relevant environmental concerns around extractive industries in your country/region?

What are the main concerns and challenges regarding these issues in your country/region?

Summary of the Exchange

Participants in the online debate argued that the main issue is a lack of coherent policy that balances environment concerns with extractive activities. The challenge is to ensure basic environmental standards in regions where the economy is still dependent on earning foreign exchange from extractive activities and the government sometimes treads too carefully when it comes to environmental issues. “Most of the time the idea of job creation takes priority over environmental issues”, recalled **Dimetri Sanjeev Singh**, [Mirada Global Advisors](#), US who also wrote that “while the extractive industries have played an important role in the development of South Africa’s economic and political landscape, these industries have also resulted in great environmental damage”.

Sanjeev, as most contributors, called for stronger institutional and regulatory frameworks to manage these environmental problems. **Michael Ocansey Tetteh**, **Agapet Oil Co.**, Ghana highlighted the low capacity of the state to effectively regulate and manage the environment. **Ibrahim Emolu Kasita**, **Journalist**, Uganda sees little effort from governments to build capacity in this way. He said, “there is lack of effective regulatory bodies and weak enforcement of environmental laws by responsible government institutions”. **Subhasis Ray**, **Xavier Institute of Management**, India attached a [short case study](#) that he wrote about damage caused by Shell to whale habitat during oil and gas extraction in Russia, highlighting one aspect that according to him is missing badly; incorporating the issues of sustainable mining into mainstream business education. “Managers are not taught most of the concepts of development and then they have to find solutions at the site. Often these solutions are short-term and short-sighted”, he said.



Artisanal and small-scale mining are considered very difficult to regulate, particularly in relation to chemical spills, with examples provided from Tanzania, Ghana, Zimbabwe and Sierra Leone. **Joseph, Osman Mansaray, CAFOD, Sierra Leone**, for instance, highlighted the effect of a chemical spill on agricultural land. Contributors also mentioned water pollution and forest destruction as important environmental concerns resulting from extractive industries.

Participants identified civil society as a key actor, with African contributors commenting that their region lags behind Latin America in this respect. On this issue, **Sreedhar Ramamurthi, Mines, Minerals & People, India** shared an interesting experience from his institution: "Since the existing land acquisition laws have very little scope for challenging the establishment of a project, the environmental laws give a window for contesting as well as seeking redress. In order to address these demands from the communities, we have founded a centre called the EIA Resource and Response Centre ([eRc](#)). The centre takes up issues raised by the communities in appropriate forums."

Week 1 Moderator's Main Conclusions:

- We have learned that all societies should seek to balance extractive profits and environmental risk in order to foster social and environmental sustainability. In general, there is a concern about state capacity to adequately deal with environmental issues, though most participants agreed on the need for more (and better) state environmental regulation.
- In a broad sense, the institutional and technical capacities of government must be improved, and policies are required for civil society involvement and public oversight. These have been crucial issues in the Latin American experience, which have been tackled through the creation of ministries of environment and the development of participatory mechanisms, such as consultation.



Week 2: Issue for Discussion: State Environmental Regulation and Environmental Impact Assessment Systems (EIAS)

Introduction

Latin America countries have gradually improved their environmental regulation frameworks by adopting international standards. Some states, for example, have incorporated Environmental Quality Standards (EQS) and Maximum Permitted Levels (MPL) (of contamination) into their general regulatory frameworks (see [table on Peruvian MPLs](#)). However, state environmental regulatory frameworks still demonstrate some weaknesses (for more on this, see the [interview with Dr. Jorge Chavez](#), an international expert on environmental issues working in the mining industry).

In most Latin American countries, the Environmental Impact Assessment (EIA) tool is a key policy instrument for environmental regulation. This example of policy improvement, however, still has certain limitations (see the [interview with Dr. Marc Douroujeanni](#), a professor of environmental studies and biological areas). EIAs also generate some concerns regarding who has the right to conduct and approve such assessments (see the document listing some of the current kinds of [EIA in Latin America](#)).

Finally, Latin American states have gradually improved the implementation of environmental policy by closely regulating most large extractive projects through periodic supervision and the enforcement of fines for environment disruption (see [news](#) articles on [fines for oil spills](#)).

General questions addressed to LEA members:

Are EIAs compulsory in your country, and in what ways have they made a difference – is this similar or different to Latin America?

Which are the main elements in the EIAs that present the most challenge in your countries, compared with the situation in LA?

Additional related materials:

[EIAs Legal Framework and Approval](#)

Summary of the Exchange

Several participants identified some areas in which EIAs can be improved. We have learned from **Francesca Viliani, Consultant, -shedidnt specify Denmark** that EIA is the only existing tool that considers human health within the assessment of extractive industry projects (see documents [1](#) and [2](#)). Moreover, several participants raised the need for improving EIA enforcement and monitoring mechanisms. For example, how can EIAs be locally understood, adapted and legitimated? Specific problems associated with EIA participatory mechanisms were also identified. For instance, **Ibrahim Emolu Kasita, Journalist, Uganda** raised the language challenge, while **Osman Mansaray, CAFOD, Sierra Leone** highlighted low education levels, technical jargon and lack of transparency as key issues.



Ibrahim Emolu Kasita, Journalist, Uganda

"The first key challenge to Uganda's EIAs is that they are in English and not translated into local languages which the majority of the population understands better. This limits public awareness of the developer's environmental responsibilities as well as advocacy by civil society groups. Other challenges include developers' commitment to adhere to the mitigation and monitoring responsibilities, the performance of monitoring enforcement agencies, the quality of the EIAs, including environmental monitoring plans, the existence or/and adequacy of environmental management tools such as guidelines, standards and regulations, and limited options for legal action in case of non-compliance."

Osman Mansaray, CAFOD, Sierra Leone

"The EIA process should have an accountability and transparency aspect that is binding wherein all communities directly affected by the activities of mining and other industrial companies would be able to continuously monitor and quickly react to the effects of those activities on their social, economic and health status. Considering the technical jargon and professional exclusiveness associated with EIAs, it's only like a club of elitist who can only understand and accept it for specific interests. Incorporation of EIAs in Sierra Leone - as in Latin America - in all aspects of activities is not something new. The problem is sharing the outcome of EIAs (at a level and language that people can understand) to the general public and the specific communities directly affected by the EIA reports and getting back feedback to address issues/concerns emanating from that feedback."

Kennedy Kusi Marshall, [WACAM](#), Ghana wrote about the importance of institutional capacity building amongst regulatory bodies in order to enhance the oversight of private companies. While Mr. Kweku Afari, [WACAM](#), Ghana emphasised that the EIA process must be participatory at all stages.

Week 2 Moderator's Main Conclusions:

- Although EIAs are compulsory in most countries, there is broad concern about the real objectives of the EIA, since it seems that they are instruments primarily designed to facilitate extraction rather than avoid environmental and social harm. Since the 1980s, multilateral agencies have encouraged developing countries to incorporate EIAs into their regulatory systems in the realm of north-south extractive expansion as a way to promote more sustainable foreign investments. Despite these concerns, EIAs also represent a key element to current Environmental Management Systems since, in the case of Latin America, they have supported countries looking to achieve a better balance between extractive industry profits and environmental sustainability.
- Long-term EIA policy success relies on government capacity to monitor the situation constantly and enforce the rules, and Latin American countries are still trying to improve their monitoring and enforcement mechanisms. A [Revenue Watch report](#) sets out three main improvements that should be undertaken in Latin American countries in this respect. They are: i) The need to establish and fund an independent monitoring



institution; ii) The promotion and approval of extractive industry investments must be carried out by different institutions, and; iii) Improvements to existing enforcement mechanisms. These recommendations also apply to most Asian and African countries.

- In several cases, local communities have asserted that EIA recommendations are inadequate for avoiding environmental damage. In Peru, for example, the government had to hire independent experts to review a previously approved EIA on a Minas Conga project in response of civil unrest. Despite this review, some local groups continue to demand its annulment.
- In general, Latin American experience demonstrates that EIAs are regulatory not political tools, so they must be implemented within broader social and political agreements (see first point). The problem is that governments tend to believe that technical analysis is able to replace political work and agreements. A government or company with social legitimacy problems cannot produce a legitimate EIA. Social licences should come first, since EIAs are meant to give technical content to these contracts, not establish them.



Week 3: Issue for Discussion: Conservation and Extraction: Environmental Disasters Control and Biodiversity Offsets

Introduction

This week the apparent dilemma between conservation and extraction was the focus of discussions. The Moderator concentrated the debate around two strategies for avoiding environmental disasters and promoting conservation.

Environmental disasters certainly occur in the context of extractive development, such as in the [Andean community of Choropampa](#) where a mercury spillage led to wide-scale poisoning. To prevent environmental disasters the private sector has developed a new tool called [Awareness and Preparedness for Emergencies at Local Level -APELL](#).

Some states and companies have agreed that very fragile ecosystems be declared no-go zones for extraction (see the [case study of Belmira, Colombia](#)). Furthermore, some corporations have decided to support conservation initiatives in compensation for extractive activities. This strategy is known as 'offset conservation' (see the [Memorandum of Understanding between REDPARQUES, WWF, IUCN and the Secretariat of the Biological Convention on Diversity](#)).

General questions addressed to LEA members:

Can you tell us about some cases of disasters associated with extractive industries in your country/region? How were they managed? Is any public or private-led mechanism being used to prevent environmental disasters in your country/region?

Are you aware of any no-go zones or of any offset conservation experiences in your country/region?

Additional Supporting materials:

[APELL Pamphlet](#)

[Introduction MoU Amazon Biome](#)

Summary of the Exchange

A theoretical issue arose from the discussion regarding what level of risk from extractive development is acceptable. For example, **Ibrahim Emolu Kasita, Journalist, Uganda**, wrote about new discoveries of oil and gas and wonders to what extent his country, with no previous experience with such industries, will be able to manage the possible impacts of environmental or social damage.

The information posted by participants also flagged up some interesting issues regarding the apparent conservation-extraction dilemma. Many questioned the objectives of carrying out an environmental risk assessment to facilitate extraction, with some contributors, including **Camillus Kassala, Interfaith, Tanzania**, pointing to the inherent tensions of cost-benefit analysis.



Camillus Kassala, Interfaith, Tanzania

“The Choropampa and the Belimina cases or stories shockingly reflect similar incidences like here in Africa. One of the reasons for the dilemma between extraction and environmental conservation is the logic of the ‘cost-benefit-analysis’ of the liberal market economics. Unfortunately, in the respective economic equation human life/existence/habitat is considered as a cost! And the profit made from the extractive activities a benefit! Obviously, when this problem gets to the policy makers all they think is economic development, and this even makes it more complicated. We need a radical perspective to the dilemma; and the root of resolving the dilemma is the answer to the question: How much more development is required before humanity stops ‘raping’ the integrity of creation?”

In this regard, several participants provided examples of how conservation and extractive industries are being dealt with in their countries. Valuable documents were shared by **Archana Shukla, PiC, India** about environmental management practices in the [coal](#) and [bauxite](#) mining sectors in her country, and by **Ibrahim Emolu Kasita, Journalist, Uganda** about the government’s environmental management plans for [Uganda’s oil and gas](#) industry. Likewise, **Deepshikha Deka** shared a document on [Indian conservation initiatives](#). **Samuel Obiri, CEIAGH, Ghana** shared an interesting post on ECOWAS and the African Union’s initiative to protect sensitive areas from extractive industry impacts.

Samuel Obiri, CEIAGH, Ghana

“Protection of natural habitats and the environment usually suffers when mining operations take places in an uncontrolled manner. For example, in Ghana, the Minerals and Mining Act 703 has made some provision for protecting ecologically and culturally sensitive zones from mining. However, decision-making is left to the discretion of the Minister responsible for mining. This has led to granting of mining licences to companies to mine in forest reserves (...) It is imperative to note that the African Union has developed an African Mining Vision, which has express provisions for the protection of ecologically sensitive places. In addition, the ECOWAS has a Mining Directive, which contains provisions such as no-go zones and free prior informed consent. Member countries of ECOWAS and the AU have all signed this document. The action plan attached to this document requires member countries to reform their laws to be in line with the African Mining Vision and the ECOWAS Mining Directive. What CSOs needs to do is to continue to lobby member countries to reform their laws on extractive industry to take into account these provisions.”

Throughout the exchange, participants provided several examples of disasters resulting from extractive industries. For example, documents shared by **Ayokunle Christopher Dada, Institute Of Ecology And Environmental Studies, Nigeria** on [disasters produced by oil extraction](#) in the [Niger Delta](#) in Nigeria, and the [video](#) posted by **Subhasis Ray, Xavier Institute of Management, India** on the working conditions of coal miners in India.



Week 3 Moderator's Main Conclusions:

- In response to a question in the [Ulrich Beck article](#) posted by **Camilo Leon**, [EHESS](#) PhD Candidate, Peru, regarding what level of risk is acceptable, an example of best management practice is provided by [this article on coal mining in India](#), which demonstrates how control measures can help mitigate environmental and social impacts.
- Regarding the apparent conservation-extraction dilemma, when governments decide to go ahead with extraction developments, environmental concerns usually arise. The best strategy to avoid the (not only monetary) environmental costs would be to prevent them in the first place.
- Disasters are common in the realm of extractive sector projects. Preventing environmental and social damage is an important issue of discussion, however we should not forget that better management of disasters when they occur is also required. In this regard, **Jarso Mokku**, [CEDMAC](#), Kenya attached the [National Policy for Disaster Management in Kenya](#) as an example of a government initiative aiming to tackle this very issue. In Latin America, some governments have also started to design disaster management policies, as well as early warning systems. As shown in the APELL document from the previous week, some corporations have also taken the lead for controlling disasters associated with extractive industry projects in Latin America. In both cases, the goal is to establish technically robust and socially appropriate systems that ensure a rapid response. This means not only strong design and professional capacity, but in many cases local participation and approval.

MODULE 2 GENERAL CONCLUSIONS

Regarding the best way to implement environmental management, most participants believe that a public-private scheme with strong civil society participation would work better than either state or private sector-led models. Drawing on the Latin American experience (and several contributions), this would require: i) an independent state environment agency that, with adequate expertise, should be able to lead (regulate and supervise) the whole system; ii) private sector participation in particular through technical support; iii) participation mechanisms to ensure civil society involvement and public scrutiny.

Three key strategies for improving Environmental Impact Assessments can be identified from discussions:

1. Through the incorporation of relevant and complementary assessments such as [health \(HIA\)](#) and [social impact assessments \(SIA\)](#). In Latin America, some “bankable” EIAs incorporate these complementary assessments; however, they must now be included in general EIA requirements. In this sense, CSR practices and experience can provide some interesting models.



2. EIA preparation and supervision would benefit from greater involvement of civil society. Latin American countries have implemented some participatory mechanisms to obtain local approval of the EIA (such as in Colombia and Peru), but this is nevertheless work-in-progress. One aspect related to this is improving EIA “readability”, making very technical documents understandable for the target audiences and public-at-large. Latin American experience shows that EIAs have embodied political consensus to be feasible and sustainable, as otherwise local political opposition can contest their technical value. The [Strategic Environmental Assessment](#) proposes some interesting participatory mechanisms, which could provide alternative options.
3. EIAs need to be sustainable. To achieve this, they must be linked to current development plans or at least integrated into other policies for planning development, such as Land Use Planning Systems (LUPS). Thus, EIA rules and procedures must be flexible in order to be adjusted to specific social realities and foster sustainability.
4. Regarding mechanisms for environmental disaster control, most participants have advocated for greater state involvement. Despite some corporate initiatives in this respect, (see, for example, [the APELL document](#)) it is clear that implementing disaster control systems is considered primarily a state responsibility. It will be interesting, therefore, to see what happens following the implementation of the Kenyan NPDM. Within a state-led model, contributors consider private and civil society involvement essential.

Latin American experience of environmental disaster control is not particularly successful since most countries are still to legislate and implement reliable early warning systems, meaning that potential disasters are not detected early enough to be avoided. Despite this, some governments are now imposing fines on extractive companies for causing environmental and social harm. The revenue from these fines must now be used to improve state environmental disaster prevention and mitigation capacities.

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