

COORDINATED AUDIT ON MINING ENVIRONMENTAL LIABILITIES IN LATIN AMERICA AND THE CARIBBEAN



Context

The historical development of mining in Latin America and the Caribbean, particularly during the 20th century, and the absence of regulations or audits on the proper closure of mining operations, as well as the lack of environmental requirements during their execution, have led to the presence of so-called mining environmental liabilities (MELs) in the countries' territories.

These are paralyzed, inactive, or abandoned mining operations and facilities, including their deposits and wastes, which constitute a permanent, current, and future potential risk to the life, health, and safety of people and the environment, which increases in the context of climate change. These risks range from physical safety (risk of landslides, mass movements, undermining, or others) to the development of diseases associated with the presence of heavy metals, such as mercury; contamination of soils, drinking water sources, crops, suspended particulate matter (airborne), affecting communities, reducing development opportunities, and limiting access to natural resources, among others.

Coordinated Audit on Mining Environmental Liabilities in Latin America and the Caribbean

Given that the MEL problem is a common factor in the Region which, however, is treated differently in each country, within the framework of the Organization of Latin American and Caribbean Supreme Audit Institutions (OLACEFS), a Coordinated Audit on Governance Structures for the Comprehensive Management of Mining Environmental Liabilities was defined for the 2020-2021 period, led by the Office of the Comptroller General of the Republic of Chile.

The purpose of the audit was to assess whether the 14 participating countries and subnational units have governance structures and management mechanisms in place to implement actions for the comprehensive management of MELs.

The methodology consisted of examining two levels of MEL management: Level A. Focused on the evaluation of governance structures for MEL management; and Level B. Guided by instruments with a corrective focus. In turn, for each of these levels, specific management mechanisms were defined,

whose existence and operability made it possible to establish whether the governments evaluated implement comprehensive management of the MELs.

Concept of Comprehensive Management

The audit considers it essential to have guidelines, incentives, and regulations aimed at the prevention and restoration of MELs by means of risk assessments and prioritization to optimize resources in terms of their subsequent treatment.

In this scenario, MEL governance structures should recognize two approaches: 1) Preventive: through legal mechanisms to avoid the generation of sites contaminated by mining waste or the abandonment of unsafe and unstable mining operations that pose a risk to people and the environment; and 2) Corrective: which considers political and economic strategies aimed at the recovery of sites affected by MELs.

Results Obtained

Level A. Governance structures

- In general, the region lacks regulatory definitions regarding MELs and there is no legal framework under which to evaluate compliance.
- Public policies aimed at MEL management have not been implemented.
- Existing public policies and instruments are generally oriented to the prevention of new MELs (13 of the 14 countries have specific MEL prevention instruments), not to the management and correction of existing ones.
- The exceptions are Peru, Ecuador, and Mexico, which focus on corrective measures.
- There is little or no information on existing MELs and their risks.
- The absence of registries or inventories, and risk assessments of each MEL, leads to the invisibility of the problem, which therefore is not a priority in the policy or legislative agenda.
- Lack of national strategies that consider aspects related to the management of contingencies, emergencies, or disasters related to the structural or physicochemical conditions of the MELs. The latter accentuates the vulnerability of populations and environmental elements subject to the risks generated by these structures.

Level B. Corrective Management

- There are no standards for regeneration of MELs (levels of recovery of environmental conditions or low risk).
- In general, there are no specific financing mechanisms to identify, characterize, prioritize and remediate MELs.
- The absence of environmental liabilities registries in the countries or subnational units participating in the audit leads to the generation of disintegrated and incomplete databases, which do not allow for the recognition of the quantity, location, and hazardous nature of such structures, with the territorial scope required.

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