

Assessing in order to decide: mining and environment in the energy transition

Argentina is the fourth country with the highest number of mining conflicts over environmental issues in Latin America: almost a third of the provinces have banned methods or products related to metal mining in the last twenty years. These tensions are intensified by the growing demand for minerals needed for the energy transition. Benefit sharing and socio-environmental externalities must be at the heart of decision-making on the activity.

DIAGNOSIS

- **The risks of environmental impacts of the activity include several aspects:** water use and quality, waste generation, land use and biodiversity, and landscape modification. These vary according to the type of mineral, the technology used and the environment.
- **The rejection also stems from questioning the economic model in which the activity is inserted;** the perception of scarce contributions and local benefits as well as the weakness of the state’s capacity to guarantee socio-environmental responsibility.
- **Seven provinces prohibit different methods or products related to metal mining activity** (Chubut, La Pampa, Mendoza, Córdoba, Tierra del Fuego, Antártica and South Atlantic Islands, San Luis and Tucumán).
- **Both the National Mining Code and the General Environmental Law** establish that the environmental impact assessment (EIA) of projects must be carried out. However, the implementation of the EIA is done at the local level: the responsibility for carrying out participation falls on the provincial authorities and its enforcement is heterogeneous.
- **There are deficits in access to public environmental information** and in the possibility for citizens to participate in EIA processes, either due to the asymmetry of capacities among participants or to the lack of adaptation of procedures to the local context.

- **To achieve a level of emissions consistent with the commitments established in the Paris Agreement,** a significant increase in the development and implementation of renewable energies, which depend on certain minerals, is required. The demand for lithium linked to renewable energies will reach 904% by 2040 and solar photovoltaic energy will require almost tripling the demand for copper.
- **The production of these minerals faces a double pressure:** an increasing demand for implementing the energy transition and an increasing scrutiny of the activity due to local effects.



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PUBLIC POLICY CONTRIBUTIONS



In the short term, improving EIA processes for projects is key: stakeholders must have access to socio-environmental information and participation must be early and symmetrical. In the medium term, decisions on the activity must arise from processes that compatibilize policies with sustainable development objectives, for which the mining policy must implement the Strategic Environmental Assessment (SEA).

- **Establish minimum requirements and parameters for the evaluation of mining projects**, through an Environmental Assessment Minimum Standards Law, which establishes a set of minimum standards to be met in all subnational districts when evaluating social and environmental impacts, including mining projects. This law should also provide for minimum requirements for the exercise of public participation and Free, Prior and Informed Consultation (FPIC) in the EIA process. A more detailed and precise regulation reduces the room for discretion in its application.
- **Design support structures and support for local communities within the EIA processes**, which implies for the State to provide resources and professional services that make the technical information understandable and favour the dialogue processes. This could arise from a joint inter-ministerial program

between the portfolios of Environment, Mining and Social Development, including the provincial environmental authority.

- **Promote participatory monitoring and oversight mechanisms.** Local communities often distrust the information presented by companies and the controls carried out by the State: public participation in control tasks can contribute to the legitimacy of these controls.
- **Strengthen existing public information systems.** Generate incentives for provincial authorities to provide environmental information on projects under their jurisdiction, integrating them into national public registries. The national government could offer benefits to the provinces, conditioning their perception of these benefits to the provision of environmental information.
- **Create the Strategic Minerals Cabinet**, with the participation of different ministries, the Federal Mining Council (COFEMIN), the Federal Environmental Council (COFEMA) and other public agencies such as the National Institute of Indigenous Affairs (INAI), as a way of reaching a consensus on strategic guidelines based on the geopolitical relevance of these minerals and the local impact of their development.
- **Implement Strategic Environmental Assessment (SEA).** Applying the SEA to sectoral policies, plans and programs would generate a space for medium and long-term strategic discussion, making the incorporation of the principles and instruments of the General Environmental Law feasible.

Suggested reading



- Arias Mahiques, M.V., Galuccio, M. y Freytes, C. (2022). *Gobernanza socioambiental de la minería de litio: instituciones, acceso a la información y participación pública en Argentina*. Buenos Aires: Fundar. Available at fund.ar
- Freytes, C.; Obaya, M. y Delbuono, V. (2022). *Federalismo y desarrollo de capacidades productivas y tecnológicas en torno al litio*. Buenos Aires: Fundar. Available at fund.ar



This report is taken from Argentina Productive 2030 (2023). "Misión 8. Desarrollar el potencial minero argentino con un estricto cuidado del ambiente". Plan for the Productive, Industrial and Technological Development - National Ministry of Economy and Fundar.