



# Cumulative Assessment in the Private Sector

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IFC supports:

- sustainable development
- in emerging markets
- through private enterprise financing

# Mainstreaming sustainability



- ▶ Seeking sustainable opportunities:
  - cleaner technologies;
  - enhancing biodiversity;
  - promoting community development through small and medium enterprises, etc.
- ▶ At a minimum IFC requires that:
  - impacts be systematically assessed, and
  - mitigated according to effective management plan



# The Materials Cycle

Only 25% of what goes into the pipe comes out as goods and services

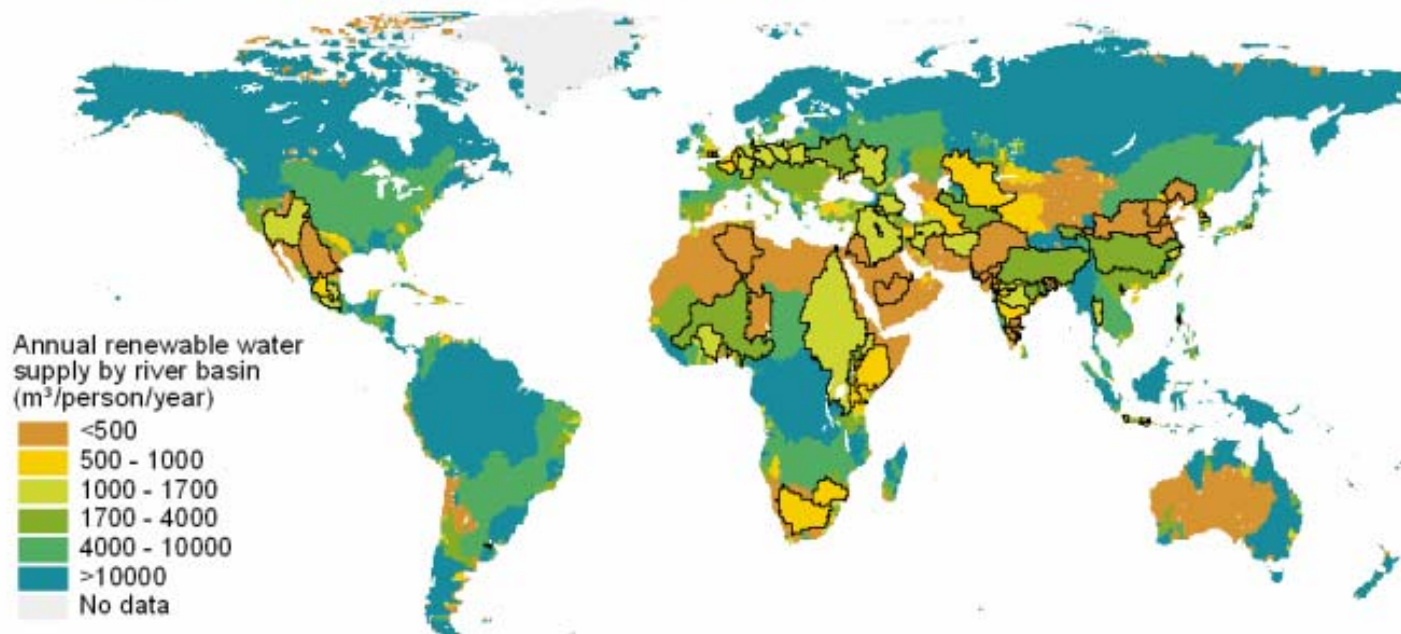






# Water Scarcity in 2025, Projected

- Water scarcity threatens food security and public health.
- Outlines show watersheds that are both in and approaching scarcity.
- About 2.3 billion people are living in conditions of water stress or water scarcity.



# The Business Case



- Sustainable development is a just cause and makes business sense (e.g. social license)
- Twenty international banks have adopted the Equator Principles
- Equator Principles are based on IFC environmental and social requirements
- Compliance: the first step



## Equator Q&A

How did the Equator Principles come about?

[More...>](#)

## IFC Resources

[Safeguard Policies](#)

[Translated Safeguard Policies](#)

[Project Review Procedures](#)

[Environmental, Health, and Safety Guidelines](#)

[Additional IFC Resources](#)

For questions on IFC Environmental Policies, please write at [enviro@ifc.org](mailto:enviro@ifc.org)



## Leading Banks Announce Adoption of Equator Principles

**Washington DC, June 4, 2003** – Ten leading banks from seven countries today announced the adoption of the "Equator Principles," a voluntary set of guidelines developed by the banks for managing social and environmental issues related to the financing of development projects. The banks will apply the principles globally .... [more>>](#)

[IFC Executive Vice President on Equator Principles](#)

## Equator Principles

Project financing plays an important role in financing development throughout the world. In providing financing, particularly in emerging markets, project financiers often encounter environmental and social policy issues. We recognize that our role as financiers affords us significant opportunities to promote responsible environmental stewardship and socially responsible development ... [See full text of Equator Principles](#)

[Exhibit I: Environmental and Social Screening Process](#)

[Exhibit II: IFC Safeguard Policies](#)

[Exhibit III: World Bank and IFC Specific Guidelines](#)

[Equator Web Site](#)

## IFC Safeguard Policies

IFC has developed ten safeguard policies for environmental and social issues that project sponsors should review before conducting assessments. They are derived from 45 years of extensive experience developing projects around the world, and give project sponsors a powerful tool for avoiding mistakes, reducing development costs, and improving project sustainability. Brief [overview](#) and [full text](#) versions are available.





- Environmental and social review procedure
  - Project categorization
  - Impact assessment
  - Impact management
- Policies and guidelines
  - Environmental and social safeguards
  - Prevention and abatement guidelines

# CEA for Private Sector Projects



- ▶ Project proponents must consider cumulative effects (OP 4.01)
- ▶ CEA Guidance Note
  - Cumulative effects within project EIA
  - Cumulative Environmental Impact Assessment (CEIA) for plans or set of projects

# CEA - Extractive Industries



- Escondida – ad-hoc CEA
- Yanacocha - CEIA

# CEA within project EIA



- Ad-hoc CEA – applies to a project that may have cumulative effects with others in the project's area of influence
- A CEA becomes a section of the project EIA, consisting on: scoping, description of the affected environment, and assessment of cumulative effects





# Project CEA - Escondida



- Located in the middle of the Atacama desert
- Processing facilities in expansion
- Currently largest copper mine pit in the world, one more pit forthcoming
- Water competition with other users
- Major concerns: water resources, salt-pan ecosystems



# Escondida CEA Outcomes



- Water depletion near sensitive habitats called for water exchange and new sources
- Programs for water recycling and reuse
- New mine will require costly desalination
- Area-wide biodiversity studies, repopulation of Andean flamingo





# CEIA Contents



- Executive Summary
- Legal, administrative framework
- Description of plan or set of projects
- Impact identification
- Description of affected environment
- Environmental and social impacts
- Analysis of Alternatives
- Environmental Action Plan
- Appendixes



# Ubicación de las Cuencas





# Yanacocha's CEIA



- Located near the northern city of Cajamarca
- Continually expanding, currently 6 mines plus processing and ancillary facilities
- Since 1999 new developments require a CEIA (incremental EIA no longer appropriate)
- Major concerns: water resources, water quality, hazardous materials management, social impacts and community development



# Yanacocha Leach Pads





# Yanacocha CEIA Outcomes



- Water management plan ensures long-term availability for Cajamarca and other users
- Management of hazardous materials consistent with international best practice
- No evidence of long-term increase in sediment, acid or metal content in water
- Offset of greater living costs - community development programs (Foundation)