

# Environmental Compliance

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Mining, from a slightly cynical point of view, has often times been viewed as “mining waste to extract a little bit of ore”. Gone are the days when communities used to stand by and watch their land being exploited (although I could use a more descriptive term) with very little benefit being ploughed back to those communities. At the end of the day they inherit the “legacy” of the mining activity, ranging from visual impediment to social delinquency. Environmental issues have therefore been increasingly important to the success of mining ventures.

Many countries have now included environmental compliance into their mineral policies. Examples are the Minerals and Petroleum Development Act 28 of 2002 in South Africa which requires a full Environmental Management Plan and financial provision for rehabilitation during the application for a mining license. The European Union has recently implemented REACH (Registration, Evaluation, Authorisation and Restriction of chemical substances), which although it doesn't only apply to the mining industry, it will affect a lot of the end products of mining imported into the EU.

Environmental compliance thus has an implication for project financing. A mineral project that does not comply with the environmental requirements will not acquire a mining permit resulting in adverse effects for project financing. Financiers are more “environmentally conscious” than before; to such an extent that some require an Environmental Management Plan (EMP) when the legislation of that country doesn't require one. This is the case with reputable institutions such as The World Bank. In the end there isn't a financial institution that wants to be associated with a project that becomes accused of environmental mismanagement.

Environmental compliance is no longer about saving the bunnies and printing photos of smiling local children on companies' annual reports; in many instances it is a legal obligation but it should actually be a moral stance of the mining industry as a whole.

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