



# (COP 32) IMPACT ASSESSMENT

## A *Definitions and applicability*

**Impact assessment** is used to ensure that projects, programmes and policies are economically viable, socially equitable and environmentally sustainable. The “impact” is the difference between what would happen with the action and what would happen without it.

Impact Assessment is the process of identifying, predicting, evaluating and mitigating the biophysical, social and other relevant effects of development proposals prior to major decisions being taken and commitments made.

Source:

- *International Association for Impact Assessment (IAIA)*  
[www.iaia.org](http://www.iaia.org)

The **Impact Assessment** provision of the COP is applicable to Members in the Mining Sector for proposed new Mining Facilities and/or significant changes to existing Mining Facilities that have the potential to affect local communities and the surrounding environment. The requirement is triggered at Mining Facilities where these circumstances are present either during the period since joining the RJC or through changes since the last Certification Audit, whichever is most recent. Retrospective conformance is not expected.

The **Impact Assessment** provision of the COP should be read and implemented alongside the [Human Rights, Community Engagement, Indigenous Peoples and Free Prior Informed Consent](#), [Artisanal and Small-Scale Mining](#), [Resettlement, Biodiversity](#) and [Mine Rehabilitation and Closure](#) provisions.

## B *Issue background*

Impact assessment plays a critical role in a sustainable approach to developing and operating mines. Considering impacts, benefits and mitigation strategies from a variety of perspectives, and from the beginning to the end of operations, these processes encourage a ‘whole-of-mine-life’ approach to the design, construction, operation and closure of a mine.

The purpose of an impact assessment is to identify, analyse and evaluate effects from a project and to identify measures to mitigate negative impacts and enhance positive impacts. The scale and detail of impact assessments should be proportional to the activities and their impacts, and the effects of indirect and cumulative impacts should be considered. Since mines have a finite life, the assessment process should include an analysis of options for and impacts of mine closure. Thus the timeframe for the assessment should cover during and beyond the lifetime of a mine, addressing local needs and priorities.

Impact assessments should take place at the earliest possible stage of a new mining project, appropriately tailored to the activities or project. It is a key input into project design and must be conducted sufficiently in advance to ensure that alternatives are considered and that mitigation measures can be accommodated in design decisions. Legislation requiring impact assessments may focus impact assessment on the biophysical environment, or may involve a more integrated approach that also includes social and economic impacts. At the exploration stage, an impact assessment may not be triggered under legislation but is nonetheless an important strategy for the business to identify and manage impacts relative to the size and type of project.

A critical component of the impact assessment process is participation of and/or engagement with affected communities and key stakeholders. Their involvement in impact assessment should be sought at an early stage, and sufficient time should be allowed for communities, government, industry and other stakeholders to understand, evaluate and discuss concerns throughout the process. The process needs to be sensitive to the potential for conflict to arise, particularly in the context of mine development approvals.

Impact assessments usually start with baseline studies, which can begin during exploration. These studies should be designed to provide the necessary information on the site-specific environmental and social setting of the project to establish pre-project trends. Depending on the nature of the proposal, and the location, baseline studies may need to be carried out for at least a year, to capture the variable, seasonal and transient nature of the local environment or the social context.

## B *Issue background (cont)*

Environmental Impact Assessment (EIA) is a process that identifies beneficial and adverse environmental impacts arising from a project. An EIA should be appropriate to the nature, scale and impact of a project. For mining projects seeking development approval, it is usually a full and formal impact assessment study involving detailed surveys of the existing environment, modelling of potential impacts and options, and extensive stakeholder consultation. Impacts on biodiversity, management of tailings and waste rock, and approaches to mine rehabilitation and closure are normally part of the assessment scope (see RJC Guidance for more information on each of these topics).

Social Impact Assessment (SIA) includes the processes of analysing, monitoring and managing the intended and unintended social consequences, both positive and negative, of planned interventions (policies, programs, plans, projects) and any social change processes invoked by those interventions. The SIA should include human rights, labour and employment, gender, health and conflict in its terms of reference. Other relevant factors could include broader political context, economic context, and local food security, and may include specific analysis of risks and benefits to the community. The assessment should include input from affected parties and should incorporate land and customary rights, livelihoods (particularly of stakeholder groups liable for economic or physical displacement, such as artisanal miners and farmers), employee/contractor issues, and demographic analyses. In particular, the SIA process should include a thorough assessment of how the community understands its historic and present rights to access the land and resource. The SIA should be development-oriented, identifying potential positive contributions to local and regional development and community livelihoods, as well as key risks, such as conflict or violence. The approach should be participatory and empower affected communities in the assessment of risks and the design and implementation of mitigation measures and potential benefits.

Human Rights Impact Assessment (HRIA) is a relatively new concept and is seen by many as emerging best practice. Human rights impact is often treated as an element of an SIA. However in some situations, an SIA may not explore the issue in adequate detail and depth to identify the extent of the risk and its possible consequences and so a separate HRIA may be more appropriate. An HRIA measures the impact of policies, programs, projects and interventions on human rights. There are different types of impact - it can be positive when the human rights situation improves as a result of activities and interventions, or it can be negative when the human rights situation worsens. HRIAs can be linked to the human rights due diligence process promoted under the UN Guiding Principles on Business and Human Rights, and there are indications that they can significantly reduce risks for projects with human rights concerns.

## C *Key frameworks and regulations*

### INTERNATIONAL

The International Finance Corporation (IFC) Performance Standard 1 (2012) on Social and Environmental Assessment and Management System underscores the importance of managing social and environmental performance during the life of a project. The IFC standard recommends a process of Social and Environmental Assessment that considers in an integrated manner the potential social and environmental risks and impacts of projects.

### NATIONAL AND/OR STATE LAW

Legislation relating to Environmental Impact Assessments and Social Impact Assessments has been introduced into most countries, either at a national, state and/or local level. It is essential that Members are aware of applicable law and regulation in all jurisdictions of operation.

## D Suggested implementation approach

The Suggested implementation approach provides general guidance for implementing the mandatory requirements of the Code of Practices. The guidance is not normative and should be seen as a starting point for information and support.

### COP 32.1: IMPACT ASSESSMENT AND PLANS:

**Members in the Mining Sector shall complete an environmental and social Impact Assessment, and associated environmental and social management plans, during the planning and approval of new Mining Facilities or significant changes to existing Facilities.**

#### Points to consider:

- A process should be in place to screen expansions, acquisitions and other investments in Mining Facilities, and significant exploration activities, to determine if there are potential environmental and social risks and impacts that would require an impact assessment.
- The form and timing of impact assessments are often defined by applicable law. Initiation of impact assessment should begin at as early a stage as possible.
- The time required to complete an impact assessment is usually a function of the proposal's complexity, though is sometimes defined in the local regulatory regime.
- Impact assessments should be conducted within the context of an overall system for managing environmental and social risks and impacts. The system should include:
  - An overarching policy defining the environmental and social objectives and principles that guide the project;
  - A process for identifying environmental and social risks and impacts;
  - Management programs that address risks and impacts;
  - Defined roles, responsibilities and authorities to implement the management system;
  - Processes for stakeholder engagement, monitoring and review, and for addressing grievances.
- Documented action plans and procedures should be established and implemented to address the identified environmental and social risks and impacts and ensure compliance with applicable laws, regulations and licences.
- While most developing countries have regulation for impact assessment, in some cases there may be inadequate resources to implement and oversee such processes. In these situations, RJC Members should nonetheless strive to implement good practice impact assessment approaches.

### COP 32.2: BASELINE CONDITIONS, OPTIONS AND PREVAILING STANDARDS:

**Impact Assessments shall be comprehensive, appropriate to the nature and scale of the project, and include assessment of:**

- **baseline conditions,**
- **design options, where applicable, that mitigate negative impacts, and**
- **environmental and social impacts, including impacts related to Human Rights, labour and employment, gender, health and Conflict.**

## D Suggested implementation approach (cont)

### Points to consider:

- Identification of risks and impacts should be based on recent environmental and social baseline data, at a level of detail that is appropriate to the nature, scale and risks of the project. What might be appropriate at an exploration stage will be different than for a large scale mining project.
- Impact assessment should consider all relevant environmental and social risks and impacts, including risks and impacts on human rights, labour and employment, gender, health issues and conflict. Other relevant factors could include economic context, governance, and food security.
- The assessment should include an analysis of alternative approaches to the design of the project, where appropriate. The mitigation hierarchy should be followed, favouring avoidance of impacts over mitigation.
- The assessment should consider the impacts of any infrastructure, such as roads, power stations, ports, employee housing etc, that may be created to support mining operations. Potential synergies with community and regional development should be considered.
- Human rights impact assessment (HRIA) should use international human rights law as its framework, and take into account differential impacts on women, children, the elderly and marginalised sectors of society. Human rights impacts may be assessed as part of either or both a social/environmental impact assessment, or as a standalone assessment.

### COP 32.3: ENGAGEMENT:

**Impact Assessments shall involve engagement with affected communities and stakeholders and appropriate subject matter experts.**

### Points to consider:

- Stakeholder engagement is an ongoing process involving stakeholder analysis, external communications, consultation and reporting (see RJC Guidance for Community Engagement);
- The nature and complexity of the engagement program may vary considerably, and should be commensurate with the project's status, risks and potential adverse impacts. The program should also reflect the characteristics and interests of the affected communities, and should provide for meaningful participation by those identified as disadvantaged or vulnerable.
- Appropriately qualified and experienced experts should carry out impact assessments. Often specialists need to be engaged to carry out the baseline studies, and to facilitate and document the outcomes of the impact assessment. An impact assessment may be (or be perceived as being) more credible if it is prepared or at least peer reviewed by an independent firm.
- The findings of impact assessments should be disseminated publicly and in a way that is easily accessible and understandable to directly affected populations.

Source: IFC Performance Standard 1 (2012) – Social and Environmental Assessment and Management System.

## CHECK

- Do you have an overall system in place for managing environmental and social risks and impacts that includes the conduct of environmental and social Impact Assessments?
- Does the system include the establishment of action plans and procedures to address the risks and impacts identified by your Impact Assessments?
- Do Impact Assessments begin at as early a stage as possible for all new mining projects or significant changes to existing operations under your control?
- Do you adopt, where appropriate, an integrated approach that combines social and environmental impact assessments with Human rights, gender, health and conflict issues?
- Do you follow the mitigation hierarchy, favouring avoidance of impacts over mitigation?
- How do you engage affected communities and stakeholders and appropriate subject matter experts in your Impact Assessments?

## E Further Information

The following websites have further information relating to Impact Assessment:

- Anglo American – Socio-Economic Assessment Toolbox (SEAT)  
[www.angloamerican.com/development/social/seat](http://www.angloamerican.com/development/social/seat)
- BP's Human Rights Assessment at Tangguh, Indonesia (2002)  
[www.bp.com/liveassets/bp\\_internet/globalbp/STAGING/global\\_assets/downloads/l/hria\\_summary\\_Tangguh\\_HRIA\\_1736.pdf](http://www.bp.com/liveassets/bp_internet/globalbp/STAGING/global_assets/downloads/l/hria_summary_Tangguh_HRIA_1736.pdf)
- BHP Billiton – Social Impact Assessment  
[www.bhpbilliton.com/home/aboutus/regulatory/Documents/perSection11SocialImpactsAndManagement.pdf](http://www.bhpbilliton.com/home/aboutus/regulatory/Documents/perSection11SocialImpactsAndManagement.pdf)
- CommDev – The Oil, Gas and Mining Sustainable Community Development Fund  
[www.commdev.org/](http://www.commdev.org/)
- Daniel Franks – Social impact assessment of resource projects (2012)  
[www.csr.uq.edu.au/Portals/0/Publications/Social-impact-assessment-of-resource-projects1.pdf](http://www.csr.uq.edu.au/Portals/0/Publications/Social-impact-assessment-of-resource-projects1.pdf)
- Environmental Law Alliance Worldwide – Guidebook for Evaluating Mining Project EIAs (2010)  
[www.elaw.org/files/mining-eia-guidebook/Full-Guidebook.pdf](http://www.elaw.org/files/mining-eia-guidebook/Full-Guidebook.pdf)
- Guide to Human Rights Impact Assessment and Management (HRIAM) (2010)  
[http://www1.ifc.org/wps/wcm/connect/Topics\\_Ext\\_Content/IFC\\_External\\_Corporate\\_Site\\_Guide+to+Human+Rights+Impact+Assessment+and+Management](http://www1.ifc.org/wps/wcm/connect/Topics_Ext_Content/IFC_External_Corporate_Site_Guide+to+Human+Rights+Impact+Assessment+and+Management)
- Human Rights Impact Resource Centre  
[www.humanrightsimpact.org/](http://www.humanrightsimpact.org/)
- International Alert – Conflict Sensitive Business Practice – Guidance for Extractive Industries (2005)  
[www.international-alert.org/sites/default/files/publications/conflict\\_sensitive\\_business\\_practice\\_all.pdf](http://www.international-alert.org/sites/default/files/publications/conflict_sensitive_business_practice_all.pdf)
- International Association for Impact Assessment – Impact Assessment (2012)  
[www.iaia.org/publicdocuments/special-publications/fasttips/Fasttips\\_1%20Impact%20Assessment.pdf](http://www.iaia.org/publicdocuments/special-publications/fasttips/Fasttips_1%20Impact%20Assessment.pdf)
- International Council on Mining and Metals (ICMM) – Community Development Toolkit (2012)  
[www.icmm.com/news-and-events/news/articles/icmm-presents-updated-community-development-toolkit](http://www.icmm.com/news-and-events/news/articles/icmm-presents-updated-community-development-toolkit)
- International Council on Mining and Metals (ICMM) – Good Practice Guidance for Mining and Biodiversity (2006)  
[www.icmm.com/page/1182/good-practice-guidance-for-mining-and-biodiversity](http://www.icmm.com/page/1182/good-practice-guidance-for-mining-and-biodiversity)
- International Council on Mining and Metals (ICMM) – Human rights in the mining and metals industry. Integrating human rights due diligence into corporate risk management processes (2012)  
[www.icmm.com/page/75929/integrating-human-rights-due-diligence-into-corporate-risk-management-processes](http://www.icmm.com/page/75929/integrating-human-rights-due-diligence-into-corporate-risk-management-processes)
- International Finance Corporation (IFC) Performance Standard 1 – Assessment and Management of Environmental and Social Risks and Impacts (2012)  
[www1.ifc.org/wps/wcm/connect/3be1a68049a78dc8b7e4f7a8c6a8312a/PS1\\_English\\_2012.pdf?MOD=AJPERES](http://www1.ifc.org/wps/wcm/connect/3be1a68049a78dc8b7e4f7a8c6a8312a/PS1_English_2012.pdf?MOD=AJPERES)
- International Finance Corporation (IFC) Guidance Note 1 – Assessment and Management of Environmental and Social Risks and Impacts (2012)  
[www1.ifc.org/wps/wcm/connect/b29a4600498009cfa7fcf7336b93d75f/Updated\\_GN1-2012.pdf?MOD=AJPERES](http://www1.ifc.org/wps/wcm/connect/b29a4600498009cfa7fcf7336b93d75f/Updated_GN1-2012.pdf?MOD=AJPERES)
- Rio Tinto – Why human rights matter (2013)  
[www.riotinto.com/documents/ReportsPublications/Rio\\_Tinto\\_human\\_rights\\_guide\\_-\\_English\\_version.pdf](http://www.riotinto.com/documents/ReportsPublications/Rio_Tinto_human_rights_guide_-_English_version.pdf)