



Technocratic oriented SIA: Proponents to win and community to lose

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We expect quality SIA should be

- ‘participatory’; support all stakeholders; increases their understanding social changes and its mitigation; and it has a broad understanding of social impacts (Esteves, Franks, & Vanclay, 2012)

BUT

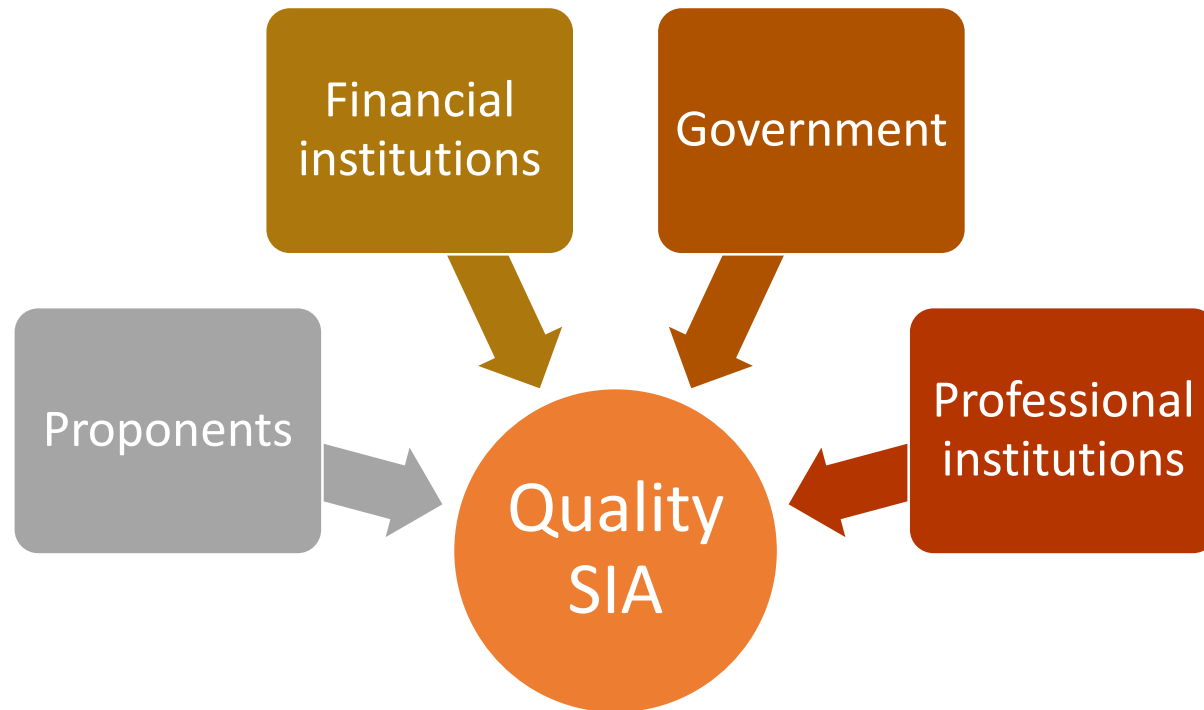
- if we do it for **legal or financial approval** it would not cover all stakeholders’ interest in equal way.

Paradigm and orientation of SIA matter

How stakeholders see the SIA?



How stakeholders see the SIA?



Technocratic SIA

- fulfillment of environmental legal requirements,
- restriction of creative responses to social issues
- more consideration of developer's needs (Nicholas et al., 2004)

Context of Mongolia

- Post-communist political and economic transition
- **Nomadic lifestyle** with rapid urbanization since 2000
- **Homogenous** society regarding ethnicity, language, religion
- **Lower middle income country** (GDP per capita - 4100 USD)
- **Rich resources and economic dependency** – (e.g. Oyu Tolgoi mines)



Responsible and sustainable mining

Instruments

International standards

Laws

CDA

Programs and projects

Industry associations

Social Impact Assessment (SIA)

Needs

Environmental Impact Assessment (EIA)

Impacts on Society

- way of life
- demography and migration
- culture and beliefs
- community cohesion
- political systems
- health, safety and wellbeing
- personal and property rights
- fears and aspirations

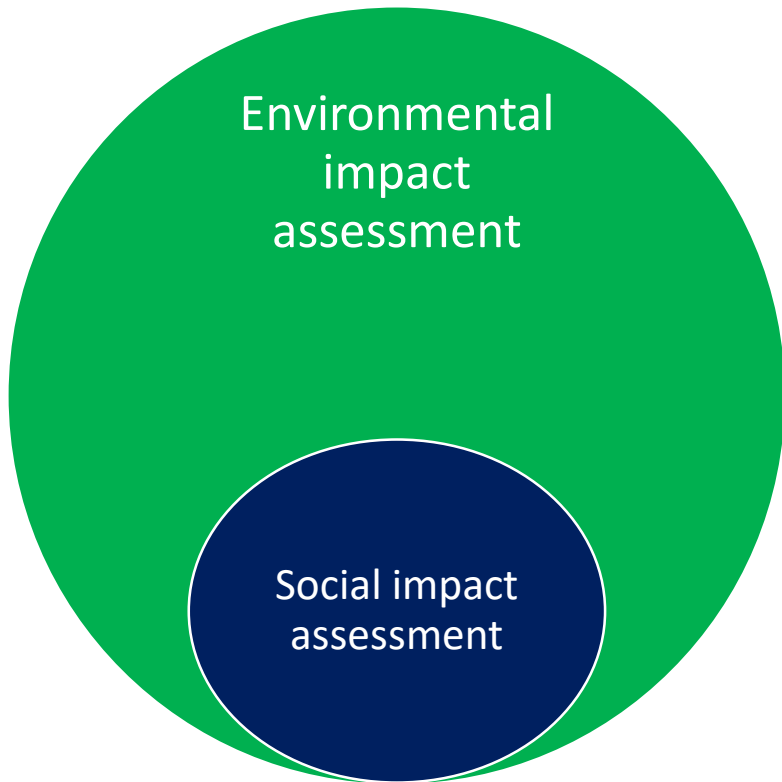
Impacts on Environment

- Land degradation
- Water scarcity
- Soil erosion
- Air dust
- Plants
- Wild animal extension

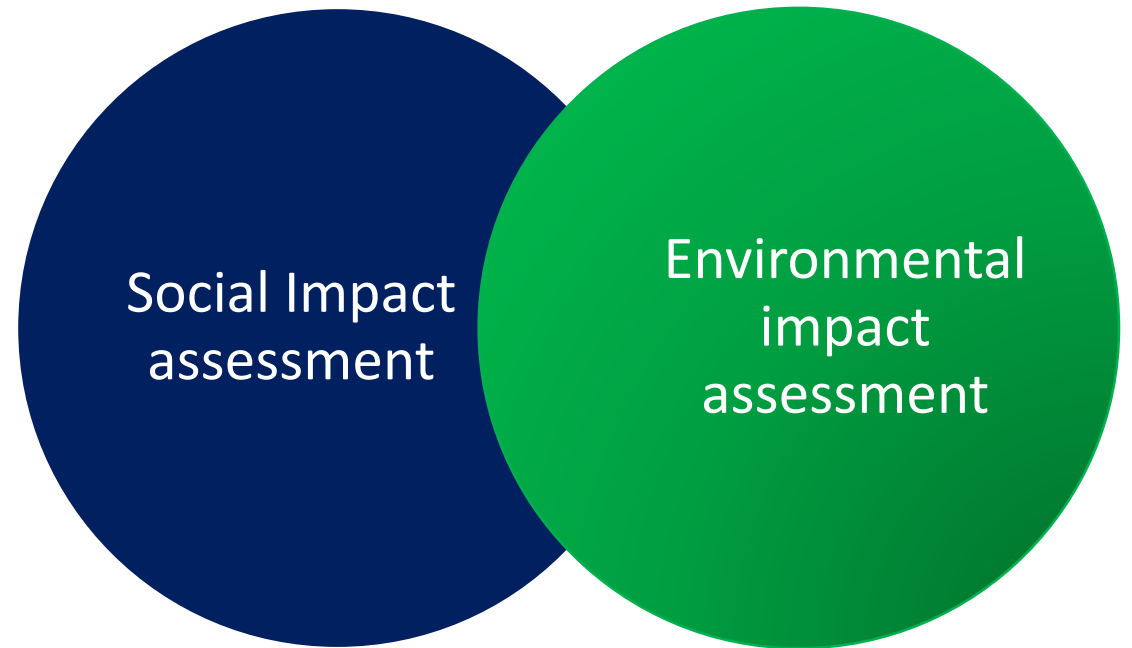
Mining activity

SIA and EIA in practice

In Mongolia



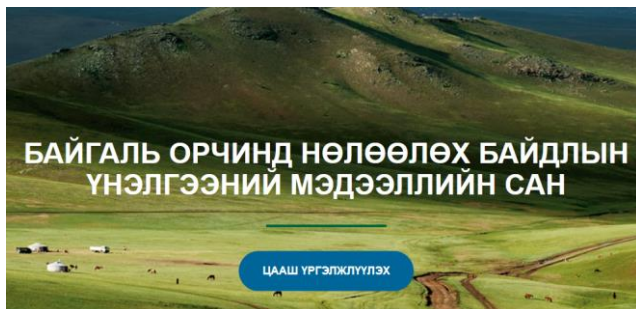
In international benchmark practices



Impact Assessment context in Mongolia

Legislation and Practice:

- Law of Mongolia on Environmental Impact Assessment (1998, 2001, 2012)
- Resolution of Environmental Impact Assessment (2013)
- Online database of EIA



It tells:

- Government only focuses on environmental impacts
- Social impacts are considered as **add-ons** and mostly focuses on **economic priorities**
- Lack of SIA/no SMP – has led to **poor social license** to the sector
- International lenders' minimal standards take in place and are not sufficient

Case: Technocratic oriented SIA practices in Mongolia:

What happened:

In Dec 2015, EBRD and IFC accepted 4.5 million dollars loan agreement for the OT project despite numerous resistance from civil society and public on its ESIA.

What tell us this practice on concern of quality SIA?



How 'big' is Oyu Tolgoi:

- “Greenfield” mining project with gold and copper in South gobi region;
- planned mine life of 27 years;
- started at 2009,
- Rio Tinto shares 56 percent, and the GoM possesses another 34 percent.

Reviewed documents:

- OT project's ESIA,
- Civil society's review on ESIA (Watch et al., 2012),
- both IFC (IFC, Feb 2012) and EBRD's responses (EBRD, Feb 2013) towards the civil society's review

Findings/Observations

1. Financial institutions' definition of 'Indigenous people' does not suit the particular country's settings

- Ambiguities of who is indigenous people?
- Is only IFI's definition enough to proponents refuse to consult with land-owners?



2. 'No reason' of having FPIC

- No application of FPIC due to not qualified as indigenous people
- Weak IBA
- FPIC is a philosophy; SIA is a process to build knowledge and understanding and manage changes, and agreements are the outputs of these process (Esteves, Franks, & Vanclay, 2012).

Findings

3. Technocratic oriented SIA limits adequate stakeholder consultation

- Inappropriateness of the consultation methods
- Poor selection of location and timing in its own culturally-appropriate way



4. Ignorance of political risks creates risks of project benefit

- No political risks analysis



Discussion

- Case shows that technocratic oriented SIA serves for interest of only parties who have the power to make the decision
- No conflict with lender's policy, loan is accepted. It is just minimal normative.
- Affected nomadic herders have not sufficient power and voice against the financial institutions and project developers
- Weaker attention and requirements of government on ESIA makes the affected community to lose
- This compliance based SIA has made repeated case of project developers to win and community to lose

Revolution or evolution?

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Thank you.

Баярлалаа.