Small-scale mining and environmental protection in Peru:
What will new legislation bring?
Environmental sector in Peru

Ministry of Environment (2008)

- OEFA
- SENAMHI
- IGP
- IIAP
- SENACE

Mining activity strata

- Large scale mining
- Medium scale mining
- Small scale mining
- Artisanal mining

Regional governments
Mining activity strata

- Large scale mining
- Medium scale mining
- Small scale mining
- Artisanal mining

- Inadequate machinery for mining size
- Does not comply with technical, legal standards
Mining activity strata

- **Large scale mining**
  - Inadequate machinery for mining size
  - Does not comply with technical, legal standards

- **Medium scale mining**

- **Small scale mining**

- **Artisanal mining**

- **Informal mining**
  - Operation permit granted under formalization process

- **Illegal mining**
  - Developed in prohibited areas
  - Not subject to formalization
Informal mining

Illegal mining: It is possible to tell apart medium and large scale miners

Formalization process

- **April, 2012**
  - **30 days**

  - **Sworn commitment**
  - **Mining rights**
    - Land rights
    - Water and environmental authorization

  **Authority for mining activity**
Informe de minería informal

Proceso de formalización

- Juramento de compromiso
- Derechos mineros
- Concesión minera
- Asignación minera
- Permiso de explotación
- Derechos de tierra
- Autorización para actividades mineras

Sólo 3.88% de registros de compromisos

Obtención de derechos mineros no autoriza la actividad

Obteniendo derechos mineros, no autoriza la actividad.
Informal mining

Formalization process

1. Sworn commitment
   April, 2012
   30 days

2. Mining rights

3. Land rights
   • Land rights
   • Water and environmental authorization

4. Authorization for mining activity

   - Land surface rights
   - Water use rights
   - EIA or statement

   IGAC (03 years)
   February, 2013
   October, 2013

   Process deadline:
   April 19, 2014

Sanitation process 2016
## Illegal mining

<table>
<thead>
<tr>
<th>Administrative measures</th>
<th>Criminal measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Formalization</td>
<td>• Criminalization of illegal mining</td>
</tr>
<tr>
<td>• Fiscalization</td>
<td>• PCM</td>
</tr>
<tr>
<td>• Machinery registry</td>
<td>• Interdiction</td>
</tr>
<tr>
<td>• Fuel control</td>
<td></td>
</tr>
<tr>
<td>• OEEFA sanctioning procedures for medium/large miners</td>
<td></td>
</tr>
</tbody>
</table>
Regulation 30230

Economic measures to reactivate economy

July 12, 2014
1. Penalty reduction – OEFA
2. Natural protected areas
3. Binding and not binding technical opinions
4. Maximum permissible limits and Environmental quality standards
Background

• Mining competencies since 2010
• Has imposed 845 sanctions from previous environmental agencies and 96 sanctions from direct supervisions (total of 5,517)
• Maximum sanction: US$ 40.7 million, only applicable to harmful illegal activities
• Average sanction imposed: US$ 92,700
Regulation 30230

• Three years to privilege prevention and correction. Exceptional sanctioning.
• Exceptional and modified administrative sanctioning procedures.
• Reduces sanctions to 50% of the valued amount, except: severe damage, non-authorized activities and repetitive infractions.
2 Natural Protected Areas

- Area worth of protection
  - Technical studies
  - No technical studies
  - Reserved Zone
  - Natural Protected Area
2 Natural Protected Areas

Area worth of protection

Reserved Zone

Ministerial Decision
Ministry of Environment

Supreme Decree
Approved by council of ministers

Natural Protected Area

No technical studies

Technical studies
2. Natural Protected Areas

- Area worth of protection
  - Technical studies
  - No technical studies

- Reserved Zone
  - Ministerial Decision
  - Supreme Decree Approved by council of ministers

- Natural Protected Area
3 Binding technical opinions

Sectorial authority → Environmental authority
Binding or not binding Technical opinions

EIA Approval

45 days, under functional responsibility
Maximum permissible limits and Environmental quality standards

Ministry of Environment

Sectorial authorities

Standards approved by Ministerial Decision
④ Maximum permissible limits and Environmental quality standards

Ministry of Environment

Sectorial authorities

Standards approved by Supreme Decree
signed by all involved sectors