



A Guide to Biodiversity for the Private Sector

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COMSUR: A junior mining company's efforts to conserve biodiversity in Bolivia

The Bottom Line

It is not just about what your company is doing. You have to be aware of all other biodiversity-related controversies and issues, because bad history or performance by others in the same area or sector can affect you, regardless of your performance.

Note: COMSUR, an IFC client until 2005, was Bolivia's largest privately owned mining company when this case study was written in 2004. At that time, COMSUR operated the Don Mario gold mine in Bolivia, along with eight other mines and one smelter. In 2005 all operations of Comsur, except Don Mario, were purchased by Glencore International A.G. The Don Mario mine is now operated by Orvana Minerals Corporation.

The Don Mario gold mine is about 380 km northeast of Santa Cruz, Bolivia's second-largest city. The mine, which became fully operational in June 2003, includes a small underground and open pit mine that processes 700 tonnes per day of gold ore and employs approximately 300 people, including sub-contractors.

The 5,300-ha Don Mario mining concession is located in the heart of the 15 million-ha Bosque Seco Chiquitano, a rare dry forest ecosystem of global significance. The Chiquitano is one of the richest dry forests in the world, holding many endemic species and nearly 100 threatened or endangered species. The



COMSUR's reforestation program, implemented in partnership with the Museo de Historia Natural Noel Kempff Mercado, initially focused on the gas pipeline right of way, and was eventually expanded to include other parts of the company's concession area.

region is an important transition zone between the moist Amazonian forests to its north and the dryer forests of the Chaco region in the south. The Chiquitano also supports the headwaters of the vast Pantanal wetlands, and about 12 km east of the concession is the 2.9 million-ha San Matías Natural Area of Integrated Management, a priority zone for the protection of the Pantanal.

The region is facing numerous human pressures, including illegal logging, agricultural development and cattle grazing, that are beyond the company's control. In addition, the construction of a major roadway from Santa Cruz to Brazil, through the Chiquitano forest, is likely to further increase induced biodiversity risk.

Conserving Don Mario's unique biodiversity

Although the mining operations at Don Mario occupy less than 1 percent of the total 5,300-ha concession, its location in a highly sensitive area means that the operating company is particularly prone to scrutiny by the environmental community. These pressures were exacerbated by controversy over the Cuiabá Gas Pipeline, which was peaking when the Don Mario project was initiated. The 630-km pipeline, which became operational in 2002, links Río San Miguel, Bolivia, to Cuiabá, Brazil, and runs through a number of fragile ecosystems, including the Chiquitano forest and the Pantanal wetlands.

The combination of the high biodiversity value of the area and lingering tensions over the pipeline meant that COMSUR's biodiversity program was significantly driven by the need to maintain its local license to operate. Biodiversity management actions at the mine have included banning fishing and hunting throughout the concession, to help restore populations of endangered species, and fencing of operations areas, particularly the tailings facility, which could be hazardous to animals.

Loudspeakers and human intervention further discourage the presence of birds in the tailings pond. In addition, the company has closed roads throughout the concession to prevent illegal logging and has limited traffic and human movement outside of the direct operation sites.

“COMSUR believes in building long-term and constructive partnerships with conservation organizations. This is a key factor in the successful running of the Don Mario project. Additionally, as a result, the biodiversity capability gained from this partnership experience will be integrated within the management of all other COMSUR facilities.”

David Tingey, COMSUR Environmental Manager

In partnership with the Museo de Historia Natural Noel Kempff Mercado, an NGO based in Santa Cruz, COMSUR implemented a 9,000 tree reforestation program. While the project initially only covered the gas pipeline right of way through the concession, an additional 3,000 trees have also been planted in the mine area. Because there is very little surface or ground water in the area, the mine's operations rely entirely on rain that falls between January and March, which is captured in a fresh water reservoir that now provides birds and other animals with year-round access to water. This partnership also enabled COMSUR to build reforestation expertise within the company, develop its monitoring and evaluation capacity and better anticipate the future restoration needs of the site.

Integrating social and biodiversity issues

The success of the company's biodiversity efforts is largely dependent on positive relations with the communities living near its operations. A number of poor rural communities live in the Chiquitano forest region, and development in the area has led to tensions, notably over repeated demands for the titling of some of the community lands.

In 2000, construction of the Cuiabá pipeline was halted following blockades by Chiquitano people. The US\$1.9 million settlement from this action included funding for the drafting of an “Indigenous Development Plan.” In addition, pressures from conservation organizations and lending institutions (notably the US export credit agency OPIC [<http://www.opic.gov>]) enabled the funding of a US\$20 million Chiquitano Forest Conservation Fund, primarily targeted at the reforestation of the right of way of the

pipeline. Complex and acrimonious negotiations have created a climate of suspicion between the local communities and other companies operating in the region, and COMSUR had to deal with this legacy and manage expectations created by others.

Significantly, Don Mario is relatively distant from any human settlements; the nearest community, San Juan, is 76 km from the mine. The primary direct negative impact from the mine is caused by the transport of personnel and goods to and from the mine (on average, seven vehicles per week) along a road that passes through San Juan as well as Taperas and San José de Chiquitos, which are further from the mine. The road and truck traffic can also be a benefit, however, as it provides communities with an opportunity to sell goods. This impact is further mitigated by sourcing energy from the gas pipeline, which has reduced the amount of vehicles by 21 per week, decreasing the potential for impact from diesel spillages and cutting emissions from diesel generators.

COMSUR also worked with an additional four communities (Buena Vista, Entre Ríos, Ramada and Ipias) that are located away from the mine access road. In addition to providing employment opportunities, the mine has provided financial assistance for educational, sanitation and infrastructure projects. The mine also purchases agricultural products from the communities. The current operator of the mine, Orvana Minerals, has continued the community development programs initiated by COMSUR.

“COMSUR is convinced from its experience that it is impossible to consider corporate biodiversity management within the region without working directly with community social drivers.”

David Tingey

Through surveys and public meetings in the different communities and in partnership with the local authorities of San Juan, COMSUR analyzed the particular needs of each community and developed programs to respond to these needs, in consultation with community leaders. These programs, initiated by COMSUR and currently being implemented by Orvana, support sustainable productive projects and thus play a role in alleviating poverty in the area. The challenge of these projects is to contribute to the local economy, strengthen the relationships with the communities, improve the corporate image, and conserve biodiversity.