

# THE NEW ENVIRONMENTAL IMPACT ASSESSMENT IN THE PROPOSED LGEEPA

JUNE 2026

## Executive Summary

The proposed LGEEPA will require companies' studies to assess entire ecological regions (not just the project site) and will increase investment costs by mandating financial compensation for unavoidable damage and raising the maximum fine for illegal construction to almost 880 million pesos.

## INTRODUCTION

As previously discussed in prior legal updates, the President of Mexico has submitted an initiative to enact a new General Law on Ecological Balance and Environmental Protection (the "Proposal").

The Proposal would introduce significant changes to the environmental impact procedure, incorporating new obligations, criteria, and guidelines. This note provides a comparison on environmental impact matters between the General Law on Ecological Balance and Environmental Protection ("LGEEPA") and the Proposal.

### 1. MORE ROBUST ENVIRONMENTAL ASSESSMENT.

The Proposal would change the approach of the Environmental Impact Statement ("EIS"). Currently, the EIS focuses primarily on describing the environment where the project

is intended to be developed, the ecosystems that could be affected, and the measures to prevent or reduce its impacts. In contrast, the Proposal seeks the EIS to function as a more comprehensive environmental assessment, even considering social and economic elements of the area.

To this end, the Proposal requires the EIS to delineate, describe, characterize, and diagnose the ecological region where the project is intended to be located. This means that the assessment should not be limited to the plot or the exact point where the work will be built, but would have to analyze a broader environment.

On the other hand, the Proposal is based on a broader vision of the project's ecosystem. The EIS would no longer be limited to identifying the flora, fauna, soil, water, or nearby communities, but should also explain how these elements interact with each other and how they could be affected by the work or activity. In practical terms, this would raise

the technical level of environmental studies, as the assessment would shift from a general site description to a more comprehensive analysis of the environment in which the project is situated.

Another relevant change is that the EIS would have to identify existing environmental issues in the area, to which the project's impacts would be added. This means that the authority would not evaluate the project as if it were being developed in an isolated space, but rather considering the prior environmental conditions of the region, for example: environmental degradation, water stress, contamination, vegetation loss, habitat fragmentation, or other pre-existing problems.

In this regard, the Proposal could make the environmental impact assessment more stringent, because it would require project proponents to justify their projects not only against their direct impacts, but also against the actual environmental state of the area where they intend to develop them.

Finally, the new EIS would emphasize the cumulative impacts of the project. This means that the assessment would not be limited to the direct effects of the work or activity, but would also have to consider the impacts associated with inputs, services, raw materials, suppliers, emissions, discharges, and waste that are part of its operation. In practical terms, the project would have to be analyzed within a broader context, considering how its impacts add to the existing environmental conditions in the area.

## **2. NEW PREVENTION, MITIGATION, COMPENSATION, AND RESTORATION MEASURES.**

The Proposal would also change the type of measures that may be required within an EIS. Currently, the EIS focuses primarily on explaining what the project will do to avoid or reduce its negative effects on the environment. In contrast, the Proposal more clearly incorporates the idea of compensating for environmental impacts that cannot be fully avoided or reduced.

In other words, the authority could require that the project not only reduce its environmental damage, but also contribute to repairing, restoring, or compensating for the impacts it generates. Environmental compensation could include various actions, such as restoring ecosystems, remediating affected sites, rehabilitating degraded areas, or implementing measures related to climate change adaptation or mitigation.

In practical terms, this could make the EIS more demanding and costly. Project proponents would have to plan from the outset more comprehensive and justifiable environmental measures, including potential costs for restoration, rehabilitation, or compensation.

## **3. REGULARIZATION OF PROJECTS ALREADY INITIATED.**

In cases where a project has illegally commenced without prior environmental impact authorization, the requirements of the EIS must be submitted, as well as an

environmental damage study analysis, identifying the damages generated and the corresponding compensation measures. In other words, the authority would not only evaluate whether the project can operate going forward, but also what environmental harm has already occurred and how it must be addressed.

This change could make project regularization more complex and costly. The proponent would have to demonstrate the environmental viability of the project, but also propose measures to compensate for or restore damages already caused. This could include, for example, vegetation restoration actions, rehabilitation of affected areas, remediation of impacted sites, etc.

Additionally, the Proposal clarifies that requesting regularization would not prevent inspection visits by the Environmental Prosecutor's Office; however, it states that the Prosecutor's Office has a 6-month period to conduct this visit. Nevertheless, it is unclear whether, after this period has elapsed, the authority would no longer be able to impose sanctions for irregular works.

In practical terms, this means that commencing works without environmental impact authorization could become more expensive and riskier. Although regularization would still be possible, the proponent would be exposed to greater technical burdens, compensation measures, and inspection procedures. On this point,

this goes hand in hand with an increase in the amount of fines, as under the Proposal the maximum environmental fine reaches \$879,825,000.00.

## **RECOMMENDATIONS.**

The Proposal represents a significant change in the environmental impact assessment model in Mexico. If approved, projects subject to authorization in this matter would have to comply with more complex and rigorous requirements. Therefore, if an environmental impact assessment is currently being considered, it would be advisable to begin the process as soon as possible, so that the project can be evaluated under the current regulatory framework.

On the other hand, for projects requiring environmental regularization, it would also be advisable to initiate the corresponding actions promptly, with the objective of having the procedure processed under a less strict legal framework than that contemplated in the Proposal.

Finally, the fact that the EIS could become a more technical, complex, and rigorous study should not be understood as an impossibility for project development. Rather, it would imply the need to have a specialized technical and legal team that can adequately address these new requirements, whose ultimate purpose is to strengthen environmental protection.

**Claudia Rodriguez**  
Partner  
crodriguez@s-s.mx  
Tel: (+52 55) 5279-5400

**Heriberto Garza**  
Partner  
hgarza@s-s.mx  
Tel: (+52 81) 8133-6000

**José Ramón Ayala A**  
Partner  
jayala@s-s.mx  
Tel: (+52 442) 290-0290