IGF 2016 HIGHLIGHTS: 25 OCTOBER 2016

The 12th Annual General Meeting (AGM) of the Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development (IGF) opened on 25 October 2016, at the Palais des Nations in Geneva, Switzerland. Approximately 270 participants registered for the meeting, which opened with sessions focused on linkages between mining and the Sustainable Development Goals (SDGs), including as they relate to gender, climate change, security and human rights. Lunchtime discussions included a review of effective governance mechanisms for a green economy. AGM participants continued discussing the first day’s themes during an evening reception hosted by the World Economic Forum (WEF).

OPENING SESSION

Joakim Reiter, Deputy Secretary-General, UN Conference on Trade and Development (UNCTAD), welcomed participants to the AGM and related an example to demonstrate the importance of the meeting’s examination of mining and the SDGs: he recalled that the Falun copper mine in Sweden had helped to build the country’s prosperity but resulted in significant human rights violations and environmental degradation. Reiter noted that mining is not a sector that people usually associate with sustainable development, but that this perception can and should be changed. Specifically, he highlighted the role of the mining sector in: providing direct, indirect and induced jobs through prudent macroeconomic policies that foster diversification and structured transformation; ensuring linkages between mining and development through the creation of value-added mining products, and reducing gender inequalities to ensure that women have a higher potential to capture value from the mining sector through greater employment and more equal earning potential.

Glenn Gemerts, Chair, IGF Executive Committee, stressed the importance of IGF in assisting governments, mining enterprises and civil society to find practical solutions to sustainability challenges by fostering mutual understanding in achieving the SDGs. He noted the need for governments to harness the mining sector to achieve wider goals such as environmental sustainability and poverty reduction. Using Suriname as an example, he highlighted the potential of the Mining Policy Framework (MPF) assessment to assist governments in better crafting mining policies for sustainable development through the revision of mining laws, strengthening capacity, and ensuring diversification of the mining sector.

Scott Vaughan, President, International Institute for Sustainable Development (IISD), emphasized the seriousness with which IISD takes its role as the host of the IGF Secretariat. Noting the successful adoption of the Paris Agreement on climate change and the SDGs, as well as recent agreements that contribute to climate change mitigation through the Montreal Protocol process on ozone depleting substances and the International Civil Aviation Organization, he underscored that multilateralism still works in an era when the global economy is experiencing structural changes.

Greg Radford, Director, IGF Secretariat, reviewed recent activities organized by IGF, including: new guidance documents to assist member countries in the implementation of the MPF; training and capacity building programmes in Africa; and participation in regional events, such as UNCTAD 14.

THE SDGS AND MINING

Gillian Davidson, WEF, facilitated the discussion on SDGs and mining, and stressed the importance of harnessing the potential of mining and metals to create opportunities and value from the work of all IGF participants. She prompted the panelists to discuss why the SDGs are important for mining and what actions should be taken to harness the opportunities.

Casper Sonesson, Extractive Industries, UNDP, highlighted that the 17 SDGs, 169 targets and over 200 indicators that will be used to measure the Goals are part of an integrated international agenda that was designed to be universally applied, in all countries and by all actors, at all levels. He emphasized that governments are implementing this agenda and that financing decisions will be driven by the SDGs, making a strong business case for harmonizing business activities with the SDGs. He also highlighted that there is an expectation among stakeholders that the mining sector will take action.

Kojo Busia, African Mineral Development Centre, called attention to the African Mining Vision, which seeks to restructure African economies by moving them from rent maximization to focus on other opportunities that mining provides to the economy. He noted, in particular, links to SDG 8 (decent work and economic growth), which seeks diversified economies through local content, and SDG 16 (peace, justice and strong institutions), which addresses the prevention of tax evasion.
Speaking on the role mining companies can play in achieving the SDGs, Nick Cotts of Newmont Mining, identified six criteria that Newmont Mining has developed to show how their business can link to specific SDGs including: how aligned the SDGs are to the global business strategy; how the business is already demonstrating leadership on a particular SDG; how the SDGs link to public targets of the business; the cross-functionality of the SDGs within business activities; how the SDGs link to the business’s human rights risk; and the capacity to link the business case to long-term impacts in achieving an SDG.

He emphasized that the mining business case for achieving the SDGs is not about doing more, but about improving communication, coordination and sharing what is done collectively as well as through amplification at the local level in order to effectuate long-term impacts.

Perrine Toledano, Columbia Center on Sustainable Investment (CCSI), noted the need to recognize less obvious stakeholders including financiers, small mining companies, local governments and local utilities who are not always aware of best international practices for mining. She also identified the role of mining companies in sharing baseline data to governments and to build resilient partnerships that support companies through the instability of the commodity price cycle.

Davidson then asked each panelist to discuss linkages between their favorite SDG and mining. Busia discussed the importance of Goal 16 and reducing illicit financial flows and tax evasion in Africa, noting that illicit financial outflows from Africa are up to US$50 billion annually, 52% of which is from the extractive sector.

Cotts drew participants’ attention to Goal 6 (clean water and sanitation) and Goal 8, and highlighted that his company had decreased water intensity by 20%, worked with local communities on water planning and potable water access, increased local procurement in developing countries, and supported economic development of rural communities in Ghana.

Toledano also underlined Goal 6, noting the lack of water regulation in many countries and that water leads to many conflicts between local communities and industry. She suggested disclosure of information on water quality and water management based on collaboration among stakeholders.

Sonesson highlighted Goal 17 (partnerships for the Goals), and called attention to the need to improve synergies among different parts of government, leveraging public and private finance, sharing expertise and promoting international collaboration, and building partnerships such as the Extractive Industries Transparency Initiative.

THE SDGS AND MPF COMPARATIVE ANALYSIS

The third session, facilitated by Matthew Bliss, IGF Secretariat, focused on a comparative analysis completed by the CCSI on the degree of strategic alignment between 17 SDGs and the MPF.

Perrine Toledano, CCSI, presented the analysis and highlighted the transformative potential of the mining sector in serving as a springboard for sustainable development and the importance of identifying synergies between the SDGs and the MPF as well as gaps for tightening their integration. She distinguished between direct impacts of the MPF as activities that would directly promote or prevent harm in achieving the SDGs, and indirect impacts that would have a likely impact on SDG achievement but would be conditional on other factors. She identified strengths of the MPF as a sector-specific framework for achieving the SDGs by ensuring integrated social, economic and environmental assessments that are conditional to the permitting of mining licenses, the role of Artisanal and Small-scale Mining (ASM) in alleviating poverty, and the importance of setting clear legal land-tenure arrangements to avoid potential conflicts with local communities.

On gaps, she noted the need for: greater emphasis on gender equality in the MPF, particularly in relation to socioeconomic benefit optimization; a stronger focus on sound revenue management for the provision of public goods and services; better incorporation of mining infrastructure that serves multiple
purposes for development rather than serving mining operations alone; enhanced integration of climate change mitigation and water and energy-use efficiency in the MPF in transitioning mining operations away from fossil-fuel dependency; and more explicit integration with existing environmental and social standards, such as the International Labour Organization Convention No.169 concerning indigenous communities' ways of life, which she said could be made binding if referred to in law.

**GENDER IN MINING**

This session involved a panel discussion facilitated by Rob Stevens, Canadian International Resources and Development Institute (CIRDI), to discuss how gender dimensions can be incorporated in the mining sector.

Bolormaa Purevjav, Stakeholders Engagement for Sustainable Development, Mongolia, spoke on ASM as the most informal scale of mining production and emphasized the importance of formalizing ASM and understanding context-specific priorities and needs for women and men to overcome gender inequalities.

Kirsten Dales, CIDRI, spoke on small-scale mining (SSM) enterprises as the transition towards greater organization and formalization in mining production as compared to ASM. She noted that SSM enterprises make up the majority of the global workforce both in mineral extraction and supporting sectors, but emphasized that SSM enterprises are often unable to adhere to international best practices due to a lack of resources and limited capacity, resulting in a significant lack of information on best practices for gender equality in mining.

Gillian Davidson, WEF, underscored that gender equality represents a critical bridging SDG that can facilitate the achievement of other SDGs such as economic participation, poverty, health and environmental sustainability, and emphasized potential opportunities including: the role of technological innovation in opening opportunities for women in the mining sector; the collaborative potential across sectors for enhancing women's role in the mining workforce; and the potential for bringing more women into leadership positions.

In the ensuing discussion, participants discussed inter alia: the challenges of improving gender equality in the mining sector amidst substantial cultural diversity; the effectiveness of gender training techniques for changing social norms; the livelihood aspect of ASM rather than being solely poverty-driven; the need to ensure safety of women in the workplace; and the role of concrete action versus documenting parameters for best practice in ensuring gender equality in mining. In response, panelists emphasized that no "silver bullet" exists for shifting gender norms, and underscored the role of: identifying barriers and how to tailor appropriate responses to them; universal human rights as a cross-cultural foundation for gender equality; and peer-to-peer sharing of risks and opportunities for gender reform.

**VOLUNTARY PRINCIPLES ON SECURITY AND HUMAN RIGHTS**

Sharon Peake, Director, Natural Resources and Governance, Global Affairs Canada, facilitated the discussion on the Voluntary Principles on Security and Human Rights standard (VPs), which she noted had been created in 2000 in response to concerns of security forces infringing on human rights, and are available for anyone to use. She also invited participants to engage with the Voluntary Principles Initiative, which engages in mutual learning and implementation pilots.

Helle Bank Jørgensen, President, Global Compact Network Canada, said the VPs are a leading soft-law initiative and are applicable to extractives and non-extractive sectors. She said they help to reinforce the corporate values of companies and countries, reduce delays associated with conflicts, and improve the attractiveness of projects when seeking financing.

Jan Pieter Barendse, Ministry of Foreign Affairs, the Netherlands, said the Netherlands supports development, human rights protection and international trade, and the VPs help to advance all of these priorities. He also highlighted the importance of multi-stakeholder solutions and educating consumers about the supply chain.

Carlos Salazar Couto, Executive Director, SOCIOS Perú, emphasized transparency in decision making and the importance of trust between stakeholders, and said the VPs convey a confidence in trusting others. He reviewed his organization’s experience in constructing a multi-stakeholder group that has sought to train corporations, the police and other sectors in human rights principles.

During the discussion, speakers stressed that engaging stakeholders is critical to ensure that an entity has a social license to operate. Panelists also underscored the importance of sharing information for building trust between communities and mining companies while recognizing that communities should be a part of mining developments for the long-term, beginning with the initial contact between mining companies and governments in the proposal of mining projects.

**CLIMATE ACTION: ADAPTATION REQUIREMENTS**

Emily Farnsworth, WEF, opened this session by indicating that mining is a sector that not only affects climate, but also is deeply impacted by climate change.

Anne Hammill, IISD, introduced a project in La Granja, Peru, that identified measures for building climate resilience of local communities and explored strategies for Rio Tinto Minera Peru, a local mining company, to support resilience of communities.

Alec Crawford, IGF Secretariat, discussed how climate change can be integrated into the MPF, highlighting its three most climate-relevant pillars: environmental management; the legal and policy environment; and socioeconomic benefit optimization.

Jan Klawitter, Anglo American, indicated that four areas of work are critical for mining companies to address climate change: reducing their carbon footprints; managing risks and opportunities associated with climate change; collaborating with governments; and improving the resilience of communities to the impacts of climate change. Noting Anglo American’s pilot projects in Peru, Chile and South Africa, Klawitter noted the close links between climate change adaptation and mitigation and challenges in obtaining support from local governments for climate change adaptation.

Online at: http://www.iisd.ca/igf/agm/2016/
During the discussion, one participant questioned how balanced stakeholder interests could be assured in a project like that in La Granja. Another participant noted that mining is not the only cause of climate change, and asked how interventions can be combined with those from other sectors and fit into broader governmental approaches for addressing climate change.

Hammill noted that the case study she presented had prioritized the principles of representation and consultation by ensuring that as many livelihoods as possible were represented in the consultation process, with gender balance being another criterion used to identify participants. She said approaching the challenges from a livelihoods perspective ensured that a broad range of sectors were incorporated into the project design.

Participants were asked if individuals whose livelihoods are displaced by climate change might turn to ASM, in which case climate change adaptation strategies might need to include efforts to identify environmentally-sound alternative livelihoods. One participant suggested that IGF could coordinate with other initiatives on climate change issues, such as the SAMOA Pathway for Small Island Developing States (SIDS).

**CLIMATE ACTION: MITIGATION**

Peter Wooders, IISD, moderated the session and highlighted the need for collaboration between governments and companies to achieve the mitigation goals set out by the Paris Agreement on climate change.

Mariana Heinrich, World Business Council for Sustainable Development, described opportunities offered by the procurement of renewable energy for companies to reduce costs, show leadership in sustainability and build partnerships with other actors. Noting the key role that the government plays in promoting renewables, she offered four recommendations for policymakers: remove barriers and foster an enabling environment; assure incentives for renewables that are predictable, consistent and designed to be cost-effective; enable transmission of renewable power to buyers; and enter directly into power purchase agreements for renewable energy.

Alastaire Dick, Sunshine for Mines, shared his experience in managing renewable energy in South Africa, indicating that in some cases renewables became cheaper than non-renewables. Noting the importance of government policies to incentivize companies for climate mitigation activities, he said mining with renewables can help promote SDG implementation and provide opportunities for a social license for infrastructure development in Africa.

Matt Spannagle, independent consultant, highlighted the rapid decrease in the price of renewables and lamented the fact that the mining sector has yet to realize that investment in renewable energy is a “huge opportunity” that can help companies achieve long-term returns and reduce dependence on unstable commodity prices. He emphasized that investment in renewable energy can diversify the business of the mining industry and governments need to support this diversification.

Questions from participants related to: how local communities can engage in infrastructure development; how to reach the economies of scale for investments in biomass energy; and possibilities to achieve carbon emissions reduction in the transportation sector and to remove fossil-fuel subsidies, among others.

**LUNCHETIME PRESENTATIONS**

Alec Crawford and Martin Brauch, IGF Secretariat, and Clémance Nare, IISD, briefed participants on the discussions during the workshops that were held on Monday, 24 October. A full summary of the deliberations can be found at: http://www.iisd.ca/igf/agm/2016/html/enbplus210num1e.html

A second lunchtime presentation addressed the topic, “Effective Governance Mechanisms for a Green Economy.” Presenter Saleem Ali, University of Queensland, noted that demand for all raw materials has risen dramatically, and that substitution, recycling and usage efficiency improvements will not be enough on their own to supply this demand. He asked participants to think about how supply shortages could be forestalled.

Participants inquired about recycling rates for minerals and metals, as well as opportunities to invest in research for substitutes and enhanced efficiency of production processes. Consideration of how consumption and production patterns could be more sustainable, including questions of durability and disposability linkages and tradeoffs, were raised.

Ali suggested that there could be room for establishing a fund equivalent to the Green Climate Fund to finance research on resource efficiency, and indicated that the International Resource Panel has a mandate to consider related issues for the next two years.

**CLOSING REMARKS**

At the conclusion of the day’s seven sessions, IGF Executive Committee Chair Gemerts summarized the topics discussed throughout the day, highlighting the collective responsibility to make sure that all stakeholders are “part of the equation” for a more sustainable mining sector.