

IGF HIGHLIGHTS: THURSDAY, 19 OCTOBER 2017

The Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development (IGF) continued discussions at the third and final day of its Annual General Meeting (AGM) on Thursday at UN Headquarters in Geneva, Switzerland. The IGF General Council met in a closed meeting in the morning. IGF members elected a new Executive Committee for 2017-2019.

Participants discussed local content policies, women and artisanal and small-scale gold mining (ASGM), good governance for biodiversity in mining, financial benefit optimization, and the development impacts of extractive industries.

At lunchtime, the Minerals and Energy for Development Alliance and IGF co-organized a side event on 'Financing Women in Mining', and the African Development Bank, with the data publisher Open Oil, launched a report, 'Running the Numbers: How African Governments Model Extractive Projects.'

SESSION 14: LOCAL CONTENT POLICIES IN THE MINING SECTOR: LESSONS, CHALLENGES AND NEW TOOLS

Aaron Cosby, International Institute for Sustainable Development (IISD), facilitated the session. He explained the importance of designing local content policies to create strong

upstream and downstream linkages, create employment, and promote spillover benefits to other sectors and the general public.

Isabelle Ramdoo, African Minerals Development Centre, UN Economic Commission for Africa, described tools available for developing local content policies. She noted that most policies focus on increasing fiscal revenue through taxation, and she urged a greater focus on increasing employment opportunities and national income through measures such as supporting local supply-chain and workforce development, and developing in-country industrial capacity.

Richard Morgan, Anglo American, stressed that local content initiatives should be business-led and should take practical steps to integrate local suppliers into large contracts. He highlighted the case of Zimele, his company's enterprise development initiative, which aims to establish independent and sustainable economic activities.

Jane Korinek, Organisation for Economic Co-operation and Development (OECD), introduced a policy study conducted in 10 mineral-rich countries. She advised local enterprises to take part in supplier development programs.

Somine Dolo, Kanaga Consulting, reported on World Bank studies, which have revealed challenges to implementing local content policies, including: countries' trade deficits; lack of a skilled and literate workforce; lack of credit facilities for more than 70% of small and medium enterprises (SMEs); and regulatory barriers.



Aaron Cosby, IISD; **Isabelle Ramdoo**, African Minerals Development Centre/UNECA; **Richard Morgan**, Head of Government Relations, Anglo American; **Jane Korinek**, Economist and Trade Policy Analyst, OECD; **Somine Dolo**, Kanaga Consulting; and **Jeff Geipel**, Venture Leader for Mining Shared Value, Engineers Without Borders Canada

Jeff Geipel, Engineers Without Borders Canada, presented on the Local Procurement Reporting Mechanism, a standardized tool for mining companies to report on local procurement, which, he stated, is the single largest payment type yet lacks a common reporting mechanism. He noted that increased reporting drives performance, and explained that the tool serves to: improve internal management; empower suppliers and governments to engage in collaboration with mine sites; and increase transparency in procurement to deter corruption.

SESSION 15: WOMEN AND ASM

Caroline Ngonze, African, Caribbean and Pacific Group of States-EU Development Minerals Program, UN Development Programme, moderated the session, noting the disparity between the extent of women's involvement in mining, and their low representation among mining license holders.

Fitsum Weldegiorgis, International Institute for Environment and Development (IIED), described IIED's 'action dialogue process' that has engaged with women miners in Tanzania and Ghana. Noting that women represent 40-50% of the sector in Africa, he recommended supporting associations of women miners to help improve their access to finance, geological data, and technology.

Gabriela Flores, IIED, acknowledged the negative image of artisanal and small-scale mining (ASM) and called for working with national partners and implementing communication strategies that will help women to access the support they need.

Amina Tahiru, Managing Director, Zenon Group, Ghana, suggested that women are more likely than men to provide financial security to their families and communities, prioritize their children's education, strive for environmental sustainability, and engage in economic diversification and value-added activities, such as training for jewelry making. To help advance the role of women in mining, she recommended: providing small loans; ensuring 'an equal playing field'; and offering technical support.

Shamsa Diwani, Executive Director, Gemstyles Company Limited, Tanzania, shared her experience of a women's association jewelry-making initiative. She recommended providing lapidary training and business skills through dedicated centers to help improve the economic status of women.

Harivao Fenosoa Razanakolona Rajaonarisoa, Interregional Directorate of the Ministry to the Presidency in charge of Mines and Petroleum, Madagascar, noted examples of government action, including: lapidary training; promoting women to decision-making roles; providing financial support; and strengthening women's associations.

Jennifer Hinton, Carleton University, noted that women's work is still invisible in ASM, and there remains opposition to women's right to work. She encouraged participants to ask whose power is being legitimized, and who is being left behind as formalization of ASM, for example, through the establishment of cooperatives, takes place.

Participants called for the promotion of women's associations and stressed that women must take the leading role in improving their participation in the sector.

SESSION 16: ACHIEVING GOOD GOVERNANCE FOR BIODIVERSITY IN THE MINING SECTOR

Eugenie Regan, The Biodiversity Consultancy, presented on the National Government Mitigation Hierarchy Policies, and introduced the Global Inventory of Biodiversity Offset Policies, an online database, which also includes a section on Biodiversity Richness versus Mining Contribution Index. She reported that policies to offset the impacts of mining activities on biodiversity have improved globally, especially in the mining, oil, gas and renewable energy sectors, for example, in high-biodiversity countries, including China, Indonesia, and the US.

Stephen Edwards, International Union for Conservation of Nature, encouraged countries with a high dependence on mining to take action on biodiversity issues.

Annelisa Grigg, UN Environment World Conservation Monitoring Centre, presented on a recent project to determine the extent to which biodiversity has been mainstreamed into



Stephen Edwards, IUCN; Eugenie Regan, The Biodiversity Consultancy; Annelisa Grigg, UN Environment World Conservation Monitoring Centre; and Alec Crawford, IGF Secretariat

country policies regulating the extractive industries. She emphasized the need for strong and aligned legal, policy and ‘best practice’ frameworks, better valuation of natural resources, communicating such valuation, and supporting dialogue across ministries.

Participants asked what good practices can be applied by the mining sector at the local level. Panelists highlighted examples, adding that community engagement remains a challenge. Grigg acknowledged that declines in biodiversity have not yet been quantified, and noted that engaging with local actors will provide greater depth and accuracy of how natural resources are managed. She underscored the need to find the balance between maintaining political aspirations, optimizing economic benefits to local communities and protecting natural resources.



Kirsten Dales, Canadian International Resources and Development Institute

SESSION 17: ARTISANAL AND SMALL-SCALE GOLD MINING (ASGM)

Kirsten Dales, Canadian International Resources and Development Institute (CIRDI), facilitated the session and introduced the topic of ASGM, observing that the sector is the number one anthropogenic source of mercury emissions.

Sheila Logan, Minamata Convention Secretariat, outlined the provisions of the Convention with regard to ASGM. She highlighted the requirement for parties to determine if ASGM in their territory is ‘more than insignificant’, in which case a national action plan should be developed and submitted to the Minamata Secretariat. She noted that health surveillance, training of healthcare workers and awareness raising about mercury poisoning are important parts of a multi-stakeholder strategy.

Roger Gunson, Mineral Resources Authority, Papua New Guinea (PNG), stated that a key issue in managing ASGM is obtaining good data, and enabling cooperation among mining, environmental and health authorities. He commented that, in PNG, mining is a traditional livelihood of indigenous peoples, and opportunities in the sector can help prevent out-migration to urban areas with limited employment options. He reported that PNG is working towards a national action plan on mercury.

Gregory Kituku, Ministry of Mining, Kenya, stated that the greatest challenges to reducing mercury use in his country are that: mercury is readily available; it is familiar to users; there is a lack of appropriate alternatives; and there has been insufficient sensitization to date on the dangers of mercury exposure.

Eulienne Watson, Ministry of Natural Resources, Guyana, acknowledged that, in her country, alternatives to mercury are unaffordable, so its use continues despite public awareness of its dangers. She noted that mercury occurs naturally in the environment, and mercury emissions are also released by slash-and-burn agriculture practices in her country.

In comments from the floor, a member country highlighted various issues related to the social context of ASM formalization, including the role of mining in traditional livelihoods, and the political dimensions of criminalizing mining activities in indigenous and remote communities.

SESSION 18: FINANCIAL BENEFIT OPTIMIZATION

Session facilitator Rokhaya Samba, Ministry of Industry and Mines, Senegal, invited panelists to consider how to balance the needs of investors and governments. Anton Mélard de Feuarent, Fair Links, reminded delegates that tax policies represent a balance between risk and rewards for private investors, and that comprehensive economic modeling can provide a basis for a fair division of mining revenue between investors and the state, especially in cases where commodity prices sharply increase or decrease.

Pietro Toigo, African Development Bank, explained that the complexity of the value chain requires a range of responses for optimizing financial benefits, including: designing fiscal frameworks; framing model contracts; negotiating contracts, agreements and concessions; and conducting fiscal forecasting, revenue administration and audits. He cautioned that governments have a built-in disadvantage in terms of their inability to monitor implementation of agreements, due to capacity constraints and ‘a whole ecosystem of institutions’ that need strengthening.

Ousmane Cisse, Ministry of Industry and Mines, Senegal, recalled the country’s renewal of its mining code in 2016, following decades of ‘loose control’ of the mining sector, the resulting environmental degradation and huge fiscal losses. He emphasized the importance of carrying out financial modeling and adequate feasibility studies before negotiating with potential mining investors, so as to ensure that mining industry activities align with the state economic and social development plan.

Participants posed questions on: limiting the impacts on investor confidence when governments alter agreements during periods of fiscal strain; the importance of harnessing expertise from outside government and across ministries; and the necessity for governments to be conversant in financial models to understand



Yanchun Zhang, UNCTAD

business processes and avoid monetary shortfalls. De Feuardent encouraged governments from developing countries to embark on comprehensive modeling exercises.

SESSION 19: CLOSING PLENARY

Yanchun Zhang, Chief, Commodity Policy Implementation and Outreach Section, UN Conference on Trade and Development (UNCTAD), facilitated the final session, inviting three panelists from UNCTAD's Special Unit on Commodities to present their research findings and project activities relating to extractives.

Taro Boel, UNCTAD, discussed the need to improve the development impacts of the extractive industries in Chad and Congo. He presented UNCTAD's activities to promote development outcomes, including: capacity building through facilitating collaboration between educational institutions and the private sector on programmes to upgrade local workforce skills; training of officials on methodologies to develop strategies and plans for local participation in extractive industries; and improving entrepreneurs' knowledge of potential opportunities through a web portal.

Romain Perez, UNCTAD, highlighted linkages between ASM and the Sustainable Development Goals (SDGs). He outlined the positive impacts of ASM, such as creating jobs, improving household income, and reducing migration to urban areas, while also noting the negative associations of ASM, with social unrest, poor sanitation and health problems. He concluded that regulation and formalization are important to transforming the ASM 'resource curse' into a 'blessing'.

Alexandra Laurent, UNCTAD, presented the 2016 State of Commodity Dependence report, noting that it is a tool for countries to assess how commodity-dependent they are in relation to global, sub-regional and country trends.

Orlands Kofi Tetteh, Minerals Commission, Ghana, presented on the importance of ASM to his country's economic wellbeing, which comprised 39% of total gold production in 2016. Lamenting the mining-related impacts on water and the environment, he described recent laws, policies and regulations formalizing ASM activities, which, he said, had reversed environmental degradation through reforestation and soil conservation practices undertaken by miners.

Zhang commended the role of IGF in addressing ASM and improving the situation of small-scale miners who have often been ignored and marginalized. She affirmed UNCTAD's readiness to work with countries and provide policy assistance to achieve the SDGs.

Greg Radford, Director, IGF Secretariat, summarized the Secretariat updates from the week. He announced the new Executive Committee for 2017-2019, which includes: Rokhaya Samba (Senegal), Vincent Kedi (Uganda), Mandakhbat Sreenov (Mongolia), Gudrun Franken (Germany), Roberto Sarudiansky (Argentina), and Alexander Medina (Dominican Republic) as the Chair. He announced a tie had resulted from the vote on the theme for the next AGM between 'Legal Governance of ESIA in Permitting and Contracting Processes,' and 'Mine Closure and Post-Transition Mining', leaving behind the two other choices, 'Biodiversity' and 'Water and Mining.' The tie would be broken, he explained, through an electronic vote to be organized after this meeting.

Outgoing IGF Chair Glenn Gemerts (Suriname), closed the meeting by thanking all for their participation and support, urging for continued work towards sustainable development in the sector, and welcomed incoming IGF Chair Medina.

Medina gavelled the meeting to a close at 6.16 pm.



Panelists watching a video at the Closing Remarks