



The UNCSD Review of Mining and its Contribution to Sustainable Development

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Presentation Outline

- Common Views of Mining
- Changing the Conversation
- Understanding the Contribution
- Mining and Linkages
- SD Partnerships
- The Way Forward





Common views of Mining

- Inconsistent with SD
- No lasting benefits to communities & countries
- Conflicts: exploitation of the poor
- Large environmental footprint
- The resource curse





Result: Negative Image

- Donors exit support for the sector
- But:
 - Demand for materials growing
 - Mining investments continue to grow, particularly in developing countries
 - Many developing countries lack capacity to manage the sector
 - Missed opportunity to develop and reduce poverty
- Poor perception persist, despite good progress:
 - How do we break the cycle?





A Different Paradigm

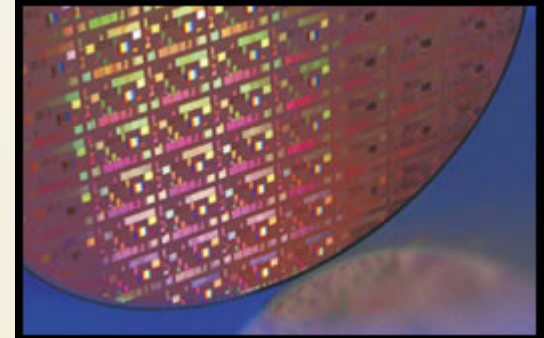
- Developed, emerging countries are the biggest miners
- Countries of industrial revolution were all big miners:
 - Mining has worked
- Improved understanding of contribution to SD
- Benefits and progress are recognised
- Challenge is about governance not resources





Changing the Conversation

- Society needs materials
- Countries want economic development
- Poverty reduction:
 - Mineral endowment represents a comparative advantage for many.
- Capacity for good governance is limited:
 - leads to problems/contributes to poor image.
- Mining brings major changes; tension is inevitable:
 - Managing change or polarizing?
 - Change always takes time
- Solutions to most challenges are known:
 - The challenge: how to apply them
- Seeking a new outcome:
 - Donors that support mining and
 - Increased capacity for mining to contribute to SD in developing countries





Sustainable Benefits



- Mining as an engine for growth:
 - direct and indirect employment
 - infrastructure: social/physical
 - Regional development
- More than just taxes and royalties
 - wages and benefits
 - Purchase of goods and services
 - Corporate programmes
- Distribution of benefits
 - Transfers to local and regional level
 - Robust institutions
- Transparency/Accountability
- Good governance is essential





Understanding the Contribution

- Good governance focuses on the management of the mining activities.
- Sustainability: generating benefits from mining that go beyond mining.
- Transformation from natural to other forms of transferable assets while:
 - Creating sustainable benefits;
 - Addressing social needs; and
 - Protecting the environment
- Future does not rest on the mine but on linkages to the rest of the economy.
- Successful mining countries look beyond mining





Mining and Linkages

- Peru: Mining expenses: \$5.4B
 - National: \$4.2B
 - Abroad: \$1.2B
- Madagascar: Sherritt project under construction (pre-mining):
 - Local expenses: \$850M
- Barrick worldwide expenses: \$7.9B
 - Goods & services: \$5.7B
 - Taxes/Royalties: \$1B
 - Wages/Benefits: \$1.2B





Establishing SD Partnerships

- SD requires partnerships.
- Donors: to support capacity building
- National government: empowering them
- Mines ministries: key players
- Mining companies; synergy with governments
- Communities: informing & empowering key actors of their own development
- Other stakeholders
- Avoid non-integrated activities





Intergovernmental Forum

- A Partnership of Countries
- Established in 2005
- Open to UN members
- Objective to improve, enhance and promote the contribution of mining to sustainable development
- 43 Countries + Observers & links to others
- Developing a policy framework for mining for UN-CSD in 2011
- Only forum of its kind for mining issues with focus on SD





The Way Forward

- New paradigm:
 - Build on success/learn from failures
- Fact-based understanding of the contribution of mining to SD
- Understand GG of mining and sustainability from mining.
- Renewed support on the part of multilateral system and donors
- Recognition that SD requires partnerships
- Forum for mining issues: the IGF
- Better integration of capacity building interventions

