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
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
- 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