



**IGF**

INTERGOVERNMENTAL FORUM  
on Mining, Minerals, Metals and  
Sustainable Development

# Mine Closure Readiness: Are Governments and Industry Prepared? IGF and ICMM

---

*Rob Stevens, PhD, PGeo  
March 2022*



INTERGOVERNMENTAL FORUM  
on Mining, Minerals, Metals and  
Sustainable Development



A VOLUNTARY INITIATIVE  
CREATED THROUGH  
THE UN IN 2005



79 MEMBER  
COUNTRIES

DEDICATED TO IMPROVING MINING  
GOVERNANCE TO HELP ACHIEVE THE  
UN SUSTAINABLE DEVELOPMENT GOALS.



# How do we help governments?



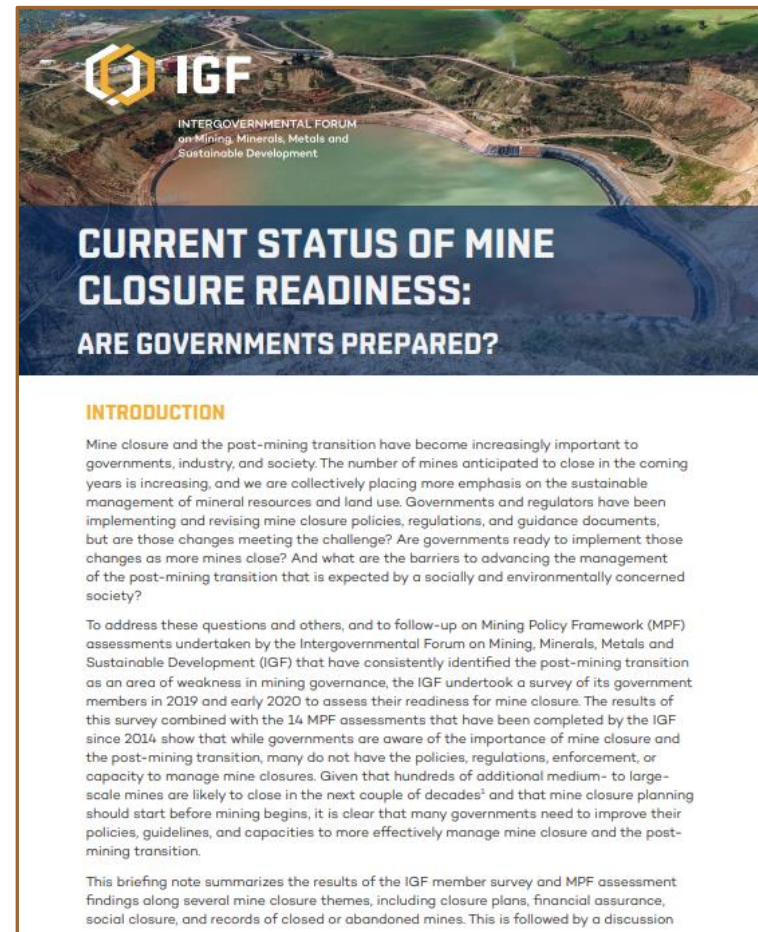
# Current Status of Mine Closure Readiness – Are Governments Prepared?

- Briefing note summarizing the results of a 2019/2020 survey of IGF members and Mining Policy Framework assessments
- A companion blog prepared with the ICMM outlines some of the common challenges between industry and government.

## Mine Closure Challenges for Government and Industry

October 14, 2021

Posted by Rob Stevens, IGF and Dawn Brock, ICMM

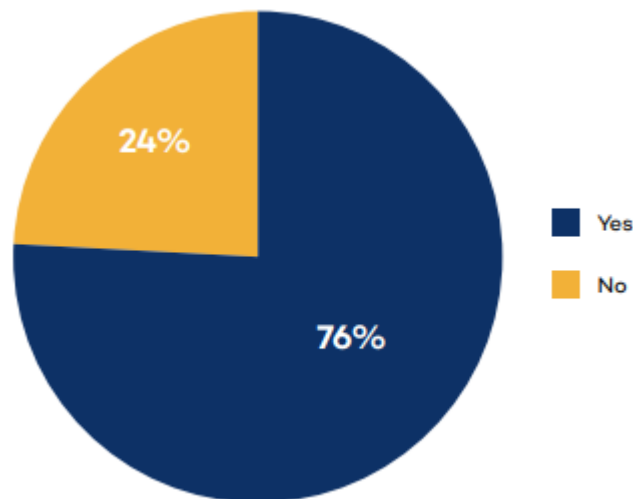


# Survey and Assessment Results

- Survey of IGF government members in 2019/20
- Review of Mining Policy Framework (MPF) assessments completed since 2014
- Total of 30 different countries across the globe spanning the full range of development as measured by the UN's Human Development Index (HDI)

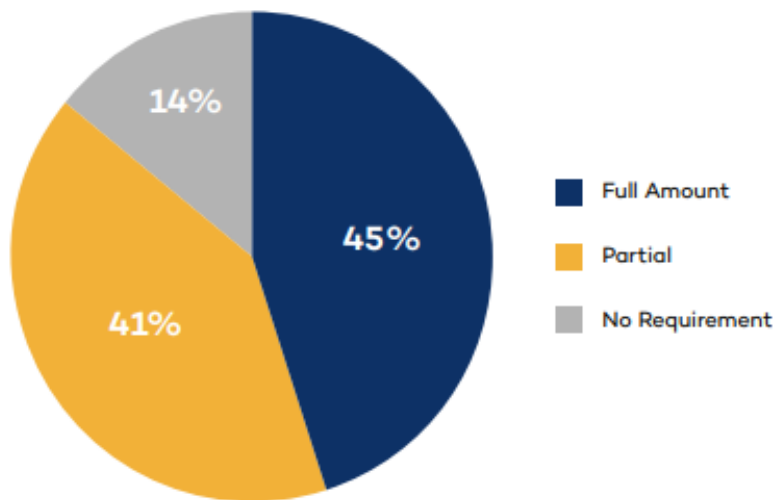
Region / continent	Survey responses	MPF assessments	Total responses and assessments (%)
Africa	4	6	33
Asia	6	2	27
Europe	5	0	17
North America	1	3	13
South America	0	2	7
Oceania	1	0	3
<b>Total</b>	<b>17</b>	<b>13</b>	<b>100</b>
<b>HDI (2020)*</b>			
Very high	6	1	23
High	5	4	30
Medium	2	3	17
Low	4	5	30
<b>Total</b>	<b>17</b>	<b>13</b>	<b>100</b>

## Are Mine Closure Plans Required?



- Good to see 76% of countries require closure plans
- Concern that the level of rigor and review of plans is limited in many cases
  - Lack of resources to respond to plans
  - No guidance on what should be included in the plan or how it will be factored into mining authorizations

## Is Financial Assurance (FA) Required?



- Uncertain about completeness and accuracy of closure cost estimates
- Interestingly there is no correlation between HDI and FA requirements
  - Countries rated high to very high on the HDI range from requiring full FA to not requiring FA at all





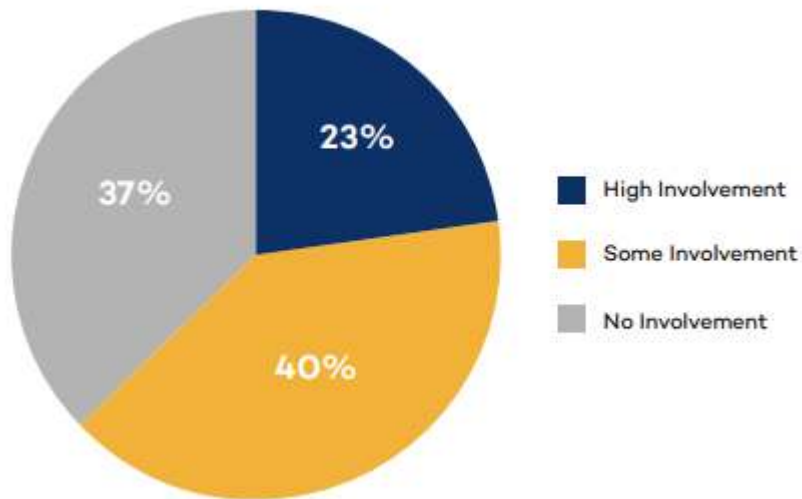
# Leading Financial Assurance (FA) Policy Elements

- Closure cost estimates should be required at the mine permitting stage and reviewed regularly
- Cost estimates must be based on third-party completing the closure work
- Full amount of current closure costs should be covered by FA at all times
- Partial release of FA should be authorized as progressive reclamation is completed
- Some FA may need to be retained post relinquishment to address unforeseen future closure issues



# Survey and Assessment Results

What is the Level of Community Involvement in Shaping Mine Closure Plans and the Post-Mining Transition?



- In addition, 59% have legislation or policy that encourages planning and consideration of social transition and community impacts as part of mine closure (41% do not)
- Similar to FA there is limited correlation between HDI and level of community involvement in shaping mine closure





# Challenges to Government Becoming Mine-Closure Ready

- Capacity and Experience
- Community Involvement
- Regulations and Guidance
- Financial Assurance
- Abandoned Mines
- Relinquishment



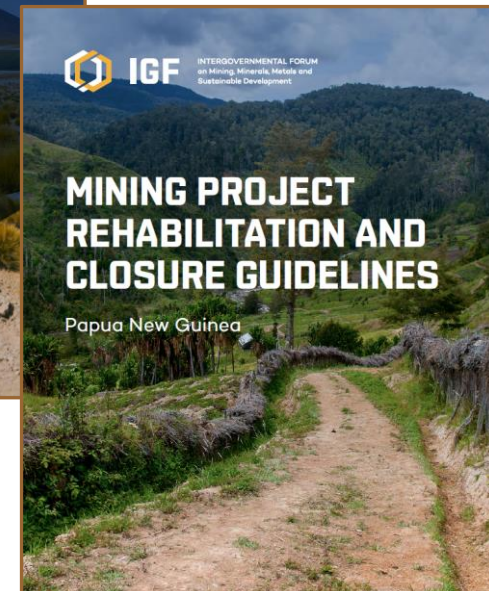
# Implications for Governments

- Governments need to obtain a 'social license' to maintain and grow their mining sector
- Ensure there are sufficient human and financial resources within government to regulate closure
- Develop the modern policies to manage mine closure – draw upon the excellent guidance material that is available
- Harness mine closure expertise within industry, civil society and academia
- Work with industry to establish a clear process for the relinquishment of mines



# IGF Country and Regional Closure Guidance

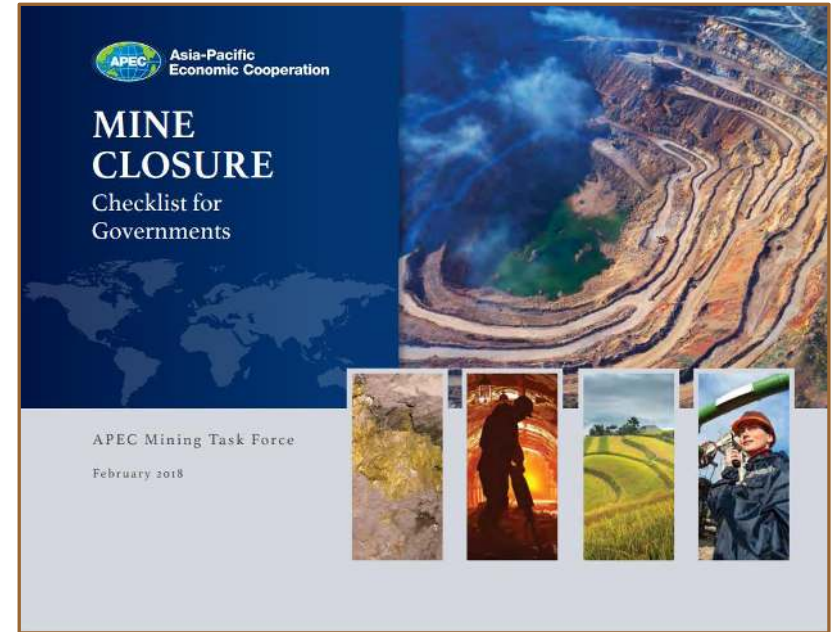
- Financial Assurance policy guideline for mine closure in Argentina (2021)
- Summary of mine closure policies in Chile and Peru (2021)
- Rehabilitation and closure guidelines for Papua New Guinea (2019)







World Bank, 2021



APEC, 2018

- World Bank Guidance document is new – 2021. Thorough and comprehensive
- Both are aimed at government and cover similar material, but with different areas of emphasis and approach. Preparation of both was lead by senior closure engineers.



- ICMM's 2019 Integrated Mine Closure guide and Financial Concepts for Mine Closure are the best source for guidance directed at industry. Also useful for governments.

# THANK YOU

**IGFMining.org**

**@IGFMining**  **in**

**Secretariat@IGFMining.org**



**IGF**

INTERGOVERNMENTAL FORUM  
on Mining, Minerals, Metals and  
Sustainable Development