The Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development (IGF)

Mining and sustainable development
- managing one to advance the other -

Session 5: *Global Environmental, Social and Governance (ESG) Trends*

*Lessons from IGF’s Global Mining Policy Framework Assessments*

IGF 2017 Annual General Meeting
17 October 2017 16:45
Palais des Nations, Room XXVI, GENEVA, Switzerland
IGF Member States – MPF assessments
MPF Results – implementation of one MPF (example)

- **Overall scores** *(low, medium and high)* inform on the level of progress in the implementation of the MPF thematic areas.
- Diagnosis of capacity and **training needs**
MPF Results – overall implementation; N=8 MPFs

- Overall scores (low, medium and high) inform on the level of progress in the implementation of the MPF thematic areas
- Diagnosis of capacity and training needs
MPF Results – overall conclusions from 8 MPFs

• Priority MPF implementation gaps:

  • **Post-mining Transition**
    • Lack of regulatory requirements for post-mining transition plans
    • Abandoned mines

  • **Socio-economic Optimization**
    • Lack of integration of community, district, national levels (consultation, cohesion)
    • Human rights and cultural heritage not to international standards

  • **Artisanal and small-scale mining**
    • Lack of integration into formal legal and economic systems
    • Continued impacts, environmental (and social)
Thank you

Matthew Bliss, Deputy Director
IGF Programs mbliss@iisd.ca
Complementary diagnostic ESG tools

MinGov & MPF – Example country

- 48% MPF recommendations fully addressed by MinGov
- 34% of MPF adequately addressed
- 19% of MPF not addressed
Legal and Policy
MinGov fully addresses all the MPF recommendations

Financial Benefits
67% MPF fully addressed
33% adequately covered

Socio-Economic Benefits
41% MPF fully addressed
18% Not Addressed
41% Adequately addressed

Environment
64% Adequately Addressed
36% Not Addressed
**Post-Mining Transition**
30% fully addressed
15% adequately addressed - 54% not addressed

**ASM**
- 62% MPF fully addressed
- 33% adequately covered
MPF Methodology

- **Assess level of progress** on the six thematic areas
- **Structured review** of policy recommendations based on document review and country visits

<table>
<thead>
<tr>
<th>Policy Recommendations on Post-mining Transition</th>
<th>Score</th>
<th>0 (LOW)</th>
<th>1 (MEDIUM)</th>
<th>2 (HIGH)</th>
<th>Guidance</th>
<th>Key Question(s)</th>
<th>Assessment Notes: Implementation, Observations, SWOT</th>
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<tbody>
<tr>
<td>A1. Existence of legal and regulatory frameworks for closure</td>
<td></td>
<td>Legal and regulatory framework for closure does not exist.</td>
<td>Legal and regulatory framework for closure exists, but with major gaps, inconsistencies or other insufficiencies</td>
<td>Comprehensive legal and regulatory framework for closure exists, addressing environmental, social and economic elements of closure</td>
<td>A robust legal and regulatory framework is essential for effective management of mines throughout the life cycle, including mine closure. Mine closure plans should be developed very early on as a requirement for mine permits. Mining should not start unless an approved closure plan and financial guarantee are in place. The development, monitoring, updating and reporting related to mine closure plans should be required by law and not merely suggested or encouraged.</td>
<td>Does a legal and regulatory framework for mine closure exist and how comprehensive is it?</td>
<td>No legal framework on mine closure. No common guidelines specific to mine closure. The guideline by GMD for a business plan for exploitation license application requires a plan for mine closure (rehabilitation) but no other related measures.</td>
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<tr>
<td>A2. Institutional capacity to monitor and enforce legal and regulatory frameworks</td>
<td></td>
<td>Institutional capacity to monitor and enforce legal and regulatory frameworks does not exist.</td>
<td>Institutional capacity to monitor and enforce legal and regulatory frameworks exists but is relatively weak; there is inadequate access to some of the necessary expertise, there is some budget for inspections but it is clearly inadequate</td>
<td>Institutional capacity to enforce legal and regulatory frameworks is strong; all mines are regularly inspected, and high priority mines are inspected frequently.</td>
<td>Developing and maintaining institutional capacity to monitor and enforce legal and regulatory frameworks for mine closure is an ongoing pursuit involving skill assessments, training programs, and sufficient funding. There is a need for serious expertise in a variety of disciplines. Capacity should be developed and maintained at all levels of government. Adequate budget for regular and thorough inspections of mines is critical.</td>
<td>What is the level of institutional capacity to monitor and enforce legal and regulatory frameworks? Are mines regularly inspected? Are high priority mines frequently inspected?</td>
<td>Efforts are duplicated among institutions. Poor coordination. Mines not regularly inspected due to low financial means. Definition of high priority. High priority mines are not legally recognized.</td>
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<td>A3. Government does not require stakeholders to be consulted in the development of mine closure objectives and plans</td>
<td></td>
<td>Government does not require stakeholders to be consulted in the development of mine closure objectives and plans.</td>
<td>Government sometimes requires stakeholders to be consulted in the development of mine closure objectives and plans.</td>
<td>Government provides comprehensive requirements for stakeholders to be consulted in the development of mine closure objectives and plans.</td>
<td>Effective mine closure planning involves community participation in planning and implementing actions. Mine-affected communities should be involved and engaged with planning, along with other interested parties and stakeholders. Such broad participation helps ensure that mine closure decisions are supported by stakeholders and are thus easier to manage.</td>
<td>Are there comprehensive requirements for stakeholders to be consulted in the development of the mine closure objectives and plans?</td>
<td>The business plan for a mining license indicates the shares of each stakeholder. The EMP for mining indicates the responsibility of each stakeholder in monitoring the implementation of the EMP.</td>
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<td>A4. Government does not require a comprehensive closure report and adequate financial assurance</td>
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<td>Government does not require a comprehensive closure report.</td>
<td>Government requires a comprehensive closure report, but it is inadequately required.</td>
<td>Government requires a comprehensive closure report but does not require adequate financial assurance.</td>
<td>Adequate financing to cover mine closure must be required by law as a condition for a mining permit. The financial assurance should be reviewed periodically by the appropriate authorities.</td>
<td>Is a comprehensive closure report and adequate financial assurance provided?</td>
<td>Minimum order No.001/MINED/2015 provides comprehensive demands and requirements for financial guarantee.</td>
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### MPF Summary of assessment results

#### MPF Results - June 2017

<table>
<thead>
<tr>
<th>Country</th>
<th>Legal and Policy</th>
<th>Financial Benefit</th>
<th>Socio-economic Benefit</th>
<th>Enviro Management</th>
<th>Post-mining Transition</th>
<th>Artisanal and Small-scale</th>
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<tbody>
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<td>Dominican Republic</td>
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<td>Uganda</td>
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<td>Madagascar</td>
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<td>Suriname</td>
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<td>Senegal</td>
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<td>Mongolia</td>
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<td>Rwanda</td>
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<td>Mauritania</td>
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- **Gap - Low score (follow-up capacity building)**
- **Medium score**
IGF – who we are

IGF-MPF commitment

“IGF members commit to ensuring that mining activities within their jurisdictions are compatible with the objectives of sustainable development and poverty reduction.” MPF, 2013

- Government platform for dialogue, implementation
- 57 member countries
- Member Executive Committee
- Secretariat
- Strategic partners

History

2002 - Johannesburg Summit – formally recognized by the UN as a partnership
2003 - Global Dialogue Initiative, South Africa + Canada
2005 – 1st IGF AGM - 25 member countries
2010 - UNCSD 18th Session – needs survey accepted
2011 - Mining Policy Framework - UNCSD 19th Session
2013 – IGF-MPF recognized by G8, Lough Erne Summit
2015 – 55 members; 10 years old; Secretariat to IISD
2016 – Liberia becomes 56th member
2017 – Ecuador becomes 56th member
2017 – 13th AGM in Geneva, October 16 - 20
### IGF – what we do

<table>
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<tr>
<th>Engagement and Outreach</th>
<th>• IGF meetings, membership and partnerships with other organizations</th>
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</table>
| Mining Policy Framework         | • Commitment of member States  
|                                 | • Country assessments  
|                                 | • Follow-up training programs                                       |
| Capacity Building & Technical Support | • National and regional workshops and support  
|                                 | • Demand driven training  
|                                 | • Guidance documents                                                  |
The Mining Policy Framework

**Commitment of members**

- The MPF represents the commitment of member States to ensuring that mining activities within their jurisdictions are compatible with the objectives of sustainable development and poverty reduction.

**Six thematic areas**

- Legal and policy environment
- Financial and benefit optimization
- Socioeconomic benefit optimization
- Environmental management
- Post-mining Transition
- Artisanal and small-scale mining
Lessons from IGF Members – Workshops and MPF

Regional workshops – 10 Members actively participating

• Two workshops offered; Morocco with 6 Members, Suriname with 4 Members
• Focus on policy for social transition and preventing/mitigating environmental impacts

Members assessed to date (8) have policies in place that require:

• Plans with biodiversity and community consultation, assurance required
• Community aspirations and EIA risks included in plans
• Restoration and post mining land use and financing bonds
• Community objectives and alternative livelihoods considered in plans
• Sought external advice from other mining countries
• Progressive revegetation
• Closure orders and certificates provided after inspections
Lessons from IGF Members – 2015 AGM

• Delegates agreed social and economic considerations must be integrated into closure plans
• Mine closure planning needs to begin immediately as part of mine design
• Insufficient knowledge and absence of closure considerations are among the most pressing issues for investment discussions - closure planning a prerequisite to mining investment - adequate financial resources needed
• Emphasis on the importance of:
  • enhancing partnerships and collaborations among different sectors;
  • early stage community engagement;
  • increasing transparency;
  • the social license to operate; and
  • providing capacity building to integrate economic, social and environment throughout the mine’s life cycle
• In addition, participants acknowledged the contributions of international organizations in developing relevant and useful guidance and standards across the mining life cycle.
• Community engagement in the closure process is increasingly essential; communities should be involved in the design and implementation of closure plans to ensure that there is lasting value that extends beyond operations
Post-mining transition – manage long-term risks

Require high quality plans, regularly updated
- policy frameworks for closure;
- institutional capacity to monitor and enforce;
- stakeholders consulted in closure planning;
- comprehensive closure report with adequate financial assurance - prior to permitting;
- external experts to validate high risk elements;
- internationally accepted guidelines and best practices;
- reassess and audit (independent) closure plans periodically
- framework to encourage progressive rehabilitation

Prevent – Reduce - Mitigate
future liabilities | environmental impacts | economic and social impacts.
Post-mining transition – plan and ensure financing

Develop financial assurance mechanisms

- adequate financial assurance using realistic estimates (outstanding work by 3rd parties)
- closure plan and cost estimates validated by responsible authorities
- financial security (bonds, insurance, etc.) with specifics and conditions
- financial securities issued/held by qualified and approved institutions
- governments, on their sole discretion, can gain immediate and unencumbered access
- release of security instruments only after each work or requirement is satisfied
Post-mining transition – manage legacies

Lead on orphaned and abandoned mines:

• establish partnerships with industry and explore technological
• partner with countries benefitting low cost industrial inputs from mines
• targeted fiscal arrangements to encourage re-activation of closed mines
• seek leadership, advice, management form multilateral agencies and organizations

Partner with industry - Re-activate closed mines
economic activity  |  fund remediation  |  post-closure management

wastes have economic potential