

IGF 2019: Intergovernmental Workshop 7 October 2019

Government delegates to the 15th Annual General Meeting (AGM) of the Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development (IGF) took part in a one-day workshop ahead of the AGM, which convenes in Geneva, Switzerland, from 8-10 October on the theme of “Mining in a Changing Climate.”

The Secretariat gave delegates an overview of IGF’s work over the past year, including ongoing support to countries to optimize the financial and socioeconomic benefits of mining, minimize environmental impacts, prepare for post-mining transitions, and manage artisanal and small-scale mining (ASM).

Delegates gave feedback on the draft guidance document for governments on environmental and social impact assessment (ESIA), which is due to be finalized and launched in February 2020.

In the afternoon, they took part in an interactive dialogue on climate change, and engaged in “world café” discussions in English, French and Spanish on the topics of base erosion and profit shifting (BEPS), local content, and ASM.

A feature of the workshop was the use of the conference app to promote participation through in-app polls and quizzes. A poll of mining practice showed that for many countries the most challenging stage of the mining cycle is mine closure, and the most challenging issue is that of land rights.

Delegates observed a minute’s silence in memory of Jaff Salima, former Director of Geological Survey, Malawi.

At the close of the day, they posed for a family photo in the grounds of the Palais des Nations, UN Headquarters in Geneva.

Opening plenary

Greg Radford, IGF Director, opened the session on behalf of Alexander Medina Herasme, Chair, Executive Committee (ExCo) (Dominican Republic), who was not able to attend the opening. He thanked the ExCo for its work, stating that the IGF now has 74 members, and registration of more than 500 participants for the 2019 AGM is the highest level of participation enjoyed so far.

Alec Crawford, senior researcher, IGF Secretariat, provided an overview of the Mining Policy Framework (MPF) and the Secretariat’s support of countries to apply the framework. He noted that country-level assessments are a key aspect of work to understand “the state of play” in member countries and address where improvements are necessary.

The Secretariat invited country partners to present on the support they have received over the past year for mining policy assessment and capacity building. Jamaica, Paraguay and Zambia shared country experiences of conducting such assessments.

Delegates discussed the need for mining to strike a balance with environmental considerations, and for community consultations to take place before mining concessions are provided, rather than mid-way through a project. They also heard report-backs from several forums that took place during the year, including: the first annual forum on mining and sustainability, held in Chiang Mai, Thailand, in partnership with the Association of Southeast Asian Nations (ASEAN); an



Family photo of the 2019 AGM participants



Ruth Mumba, Malawi



Ahmed Ajabnoor, Saudi Arabia

IGF-hosted forum on the future of responsible supply chains at a Prospectors and Developers Association of Canada (PDAC) conference; and a ministerial conference on new technologies and the future of mining in the Americas, hosted by Argentina. They looked forward to an upcoming conference in Africa that will mark the 10-year anniversary of the African Mining Vision, organized by IGF with the African Union, the UN Economic Commission for Africa, and other partners.

Matthew Bliss, Deputy Director, IGF Secretariat, presented on the Pan-African Support to the EuroGeoSurveys-Organisation of African Geological Surveys (EGS-OAGS) Partnership (PanAfGeo), stating that IGF has collaborated on two work packages, namely, with Denmark on ASM, and with Sweden on the environmental management of mines.

Radford anticipated that IGF Council members meeting on Wednesday morning during the AGM will discuss and vote on the next topic to be addressed in a guidance document, and noted there are several possibilities, including climate change and water management.

Isabelle Ramdoo, senior associate and development economist, IGF Secretariat, presented the new research programme, “New Tech, New Deal.” She explained that GIZ is supporting the programme, which addresses the cross-cutting question of what will happen if automation takes place immediately in the mining industry.

Radford highlighted a number of publications released by the IGF since the last AGM, including several case studies and guidelines. Alexandra Readhead, IGF Secretariat, provided an overview of the BEPS programme.



Matthew Bliss, IGF Secretariat

Improving Regulatory Frameworks on ESIA

Suzy Nikiéma, IGF Secretariat, introduced the draft guidance document for governments. She highlighted that improving ESIA will help avoid problems of abandoned mines, social conflicts, and costly arbitration processes between governments and mining companies, as well as contributing to achieving the Sustainable Development Goals (SDGs). She noted that consultations on the draft are taking place with the International Association for Impact Assessment, the Netherlands Commission for Environmental Assessment, and the International Francophone Secretariat for Environmental Evaluation; their comments will be integrated into the final version, planned for release in February 2020.

Clémence Naré, outreach manager and law advisor, IGF Secretariat, explained that the guide is being developed to fill the gap between the legal and the procedural aspects of ESIA. She provided an overview of the draft contents, noting that the guide identifies 22 components of a good legal framework, and that ESIA applies to each phase of a mine's life cycle—prospecting and exploration; mine planning; construction and operation; and closure and post-mining transition. She further explained that the guide draws on research into more than 50 legal frameworks in more than 42 jurisdictions, capturing overall management trends relating to ESIA. She invited delegates to share case studies from their own experiences.

Kristi Bruckner, Executive Director, Sustainable Development Strategies Group, stressed that both environmental and social impacts of mining must be taken into account, as well as the impacts of mining activities on future generations. She highlighted the importance of: having clear objectives for sustainable development, ensuring readiness to manage climate change impacts, and streamlining legal frameworks. She noted that existing frameworks on the rights of indigenous communities could be valuable for ESIA. She recommended transparency in ESIA and making sure that the public has access to reports and outcome documents. Other recommendations she put forward were for communities to have recourse through an appeals process, applying reasonable sanctions and penalties to offenders, and making clear government requirements for mine closure and management of the post-mining transition.

Delegates proceeded to take part in a poll of mining practice through the conference app. The results indicated that the most challenging stage for many countries is mine closure, and the



Kridtaya Sakamornsnguan, Thailand



Aibek Akmolodov, Kyrgyzstan

most challenging issue is that of land rights. The large majority of delegates responded that their legal frameworks do not take into account the impacts of climate change and opportunities for adaptation. Responses were evenly split as to whether their legal frameworks currently integrate socioeconomic factors.

Interactive Dialogue on Climate Change in the Mining Sector

Alec Crawford introduced this session, recalling that the 2018 AGM had raised climate change as an important issue. With regard to mitigating climate change, he cited examples of investment in renewable energy, pointing to the examples of Rio Tinto and Glencore, where wind turbines were installed at mines to mitigate the emissions from mining activities. He declared that, while there is action, more needs to be done.

On adaptation, Crawford drew attention to the need to accommodate issues such as rising sea levels. He noted mining is a water-intensive operation and that issues around water usage and water sources must be considered, especially in water-scarce areas. He stated that coastal and deep-sea mining operations will be affected by higher global temperatures, sea level rise, and an increase in storms and storm surges. He expressed concern that there is currently more investment going into mitigation rather than adaptation, adding however that this seems to be changing. Crawford observed that the mining sector is uniquely placed to address climate change issues, as the industry deals with medium- and long-term risks, the same time frame that applies when considering climate risk.

In closing, he anticipated that increased investment in the renewable energy transition will create a big opportunity for the mining industry as more metals are needed for manufacturing components, citing the huge increase in global demand for lithium, a component of rechargeable batteries.

Participants took part in a quiz testing their climate change general knowledge. They then participated in group discussion on the impacts of climate change on mining sector activities, and what governments can do to address these.

World Café on IGF Programmes

Greg Radford introduced this session, noting that it aims to provide participants with the opportunity to engage with IGF experts on: BEPS, local content, and ASM. Discussions took place in English, French and Spanish.

On local content, participants discussed two issues, namely employment and procurement. On employment, Aaron Cosbey, development economist, IGF Secretariat, drew attention to the existing guidance document produced for governments on this topic. He explained that, as local content is very much context-specific, policies and solutions for each country would differ. He noted that while IGF is able to provide assistance in many areas, it is not able to write national policies, as this is a process that should be nationally driven. He also noted that expert papers and online learning modules for local content policies have been developed, some of which will be introduced later in the week.



Ayasgalan Molor, Mongolia



From L-R: **Rokhaya Samba Diene**, Senegal; **Mohamed Khassam Moustapha**, Mauritania; and **Alhousseine Kaba**, Guinea

On issues surrounding employment, several member country representatives provided an overview of national experiences and the successes achieved. They debated the definition of “local level,” with many saying that the local level is below national level activities. They stressed that local content policies should generally be concerned with sustainable economic development, and that mandatory policies should be accompanied by capacity building efforts. They discussed the enforceability of mandatory requirements; the use of automation versus employing locals to do those tasks; the value of social responsibility policies; and domestic labor migration.

On procurement issues, participants again raised the issue of how “local” is defined, questioning whether, in the context of procurement, this means simply purchasing goods and services from a local supplier, or ensuring that the goods and services are also manufactured locally. Other issues raised included: how to ensure that local suppliers have sufficient capacity to bid for local contracts and deliver satisfactory quality, the prohibitive cost of financing and its role in deterring the scale-up of small businesses serving the mining industry, how to enforce policy requirements for engaging

domestic suppliers; and whether governments are able to support strong policy incentives for local content.

In the group discussion on BEPS, Alexandra Readhead, IGF Secretariat, explained that tax incentives may be provided at different stages, and pose different risks. She noted, for example, that where the costs of exploration are allowed to offset the tax on subsequent mining profits, the time until tax revenue begins to flow can be delayed. She said at a later stage, indirect transfer of assets can occur through the offshore sale of mining company shares. Other risks include those from specialized “streaming” companies that provide upfront finance in return for a percentage of profits throughout the life of the mine, reducing the amount of tax payable to governments.

The world café also addressed ASM, and offered a helpdesk for IGF member countries to engage with experts on specific issues.

Closing

At the close of the workshop, delegates posed for a family photo in the grounds of UN Headquarters at the Palais des Nations in Geneva, before departing.



Jean Louis Hermin, Haiti, and **Andrew Gunua**, Papua New Guinea