

Sustainable Development Goals and Mining conference at PDAC 2016

March 5, 2016 – Toronto

Meeting Summary

Background: This conference gathered 160 representatives from nine governments, the extractives industry, civil society and academia to discuss how mining can contribute to the realization of Sustainable Development Goals (SDGs). Discussion focused on the opportunity for mining to make positive contributions as well as strategies to minimize negative impacts.

It was held in conjunction with PDAC 2016 – the annual meeting of the Prospectors & Developers Association of Canada (PDAC) – and

was hosted by the Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development (IGF), the World Economic Forum (WEF) and PDAC.

Overview: The conference opened with a panel discussion on the relationships between mining and Sustainable Development Goals and an introduction to a mapping project being undertaken by the United Nations Development Programme (UNDP), the World Economic Forum (WEF) and the Columbia Center on Sustainable Investment (CCSI).

Participants then broke up into smaller groups for roundtable discussions on the issues raised by particular SDGs and the actions which can be taken to help achieve these goals. The conference concluded with a panel discussion on pathways to implementing these goals.



Panel summary 1:

Gillian Davidson, Head of Mining & Metals, World Economic Forum, moderated the first panel on how mining can help nations achieve sustainable development goals. The broad takeaway was: first, do no harm. Then work on determining how mining can make a positive contribution to development.



Casper Sonesson, Policy Advisor for Extractive Industries at UNDP, provided an overview of a project to map how nation states and mining companies are working to achieve SDGs (**Mapping Mining to the Sustainable Development Goals: A Preliminary Atlas.**)

- The aim of the project is to: foster awareness of the challenges and opportunities; facilitate dialogue among stakeholders; and help companies understand the SDG agenda.
- The project has a strong emphasis on the role of the private sector – it sets targets for industry and suggests ways goals can be integrated into primary business activities – and also focuses on the need for capacity building and dialogue.

Alanna Heath, Vice President for Government Affairs at Barrick Gold Corp., brought an industry perspective to the discussion.

- Heath warned of the negative impacts associated with failure to integrate a clear SDG framework into business plans or to be responsive to stakeholder issues. While the current economic downturn has made it harder to focus on achieving SDGs, it has also resulted in a more targeted approach.
- Barrick is very focused on water issues given public concerns and the fact that mining consumes four percent of the total industrial usage in Canada. There is innovation in this sector, such as using water from recycled sources (saline, brackish) and working to limit impact on nearby communities.

Alexander Medina, Director General of Mine for the Dominican Republic, brought a government perspective to the discussion.

- SDGs are an essential part of the Dominican Republic's planning and future, particularly poverty reduction. Building strong institutions is critical: despite significant financial investment, the Dominican Republic is not yet seeing the results it hoped for.
- The case of Barrick Gold leveraging tax revenue to help the government expand its educational program is a good example of how the mining industry can help achieve these goals.

Mark Viso, President and CEO of PACT, brought the perspective of civil society.

- Viso welcomed the mapping project as a real opportunity to do something different. It translates the overwhelming SDGs by making them a predicate for action, and lends itself to communication and collaboration.
- He raised a broader question to consider: how do we create an enabling environment for economic growth and sustainable livelihoods? Viso cited the work PACT has done in the African Great Lakes inviting mines into the dialogue and removing rewarding mechanisms that drive illicit mining. Now 90% minerals coming out of the Great Lakes region are conflict free.

Panel summary 2:

Sharon Flynn, a visiting industry fellow at the Centre for Social Responsibility in Mining (CSRMI), moderated a panel on pathways to implementing SDGs in mining. The broad takeaway was: get people to think more carefully about SDGs, and relationships between mining companies, communities and government.



Peter Leon, partner at Herbert Smith Freehills South Africa LLP, brought a legal perspective to the discussion.

- Mining can be a force for good: it can lead to economic development, revenues for government, and decent work. The regulatory system needs to be inclusive and transparent.
- The Model Mine Development Agreement (MMDA) reflects international best practice in mine development agreements and creates overlap of interests between governments, mining companies. It adopts an interest-based approach to represent the diverse viewpoints.
- Nigeria is a good example of a community development plan which facilitates community participation, emphasizes transparency and stresses the importance of partnership and dialogue.

Glenn Nolan, Vice President for Aboriginal Affairs at Noront Resources, spoke of the need to engage with indigenous communities.

- Consultants and NGOs operating in this space must remember the goal is ensuring local communities can take control of their own futures and access opportunities outside mining.
- Economic benefits need to be distributed to indigenous communities (infrastructure and basic provision of services like drinking water).
- Water and land is part of the culture of indigenous peoples, continued access to these resources is essential to practice their distinct identities.

David Clarry, Vice President for Corporate Social Responsibility at Hudbay Minerals Inc., spoke of the need to let local communications and governments establish priorities.

- Lack of political will is a major issue. Companies see if there are areas of opportunity but cannot generate political will or be the silver bullet to address all issues.
- Mining is part of the solution and we need to identify responsibilities between different stakeholders. Local communities need to dictate their own priorities.
- Lesson learned from experience in Guatemala: an incentive to maintain the peace from a corporate level (Hudbay is being sued in Canadian court over alleged gang rapes and murders carried out during evictions from the property of a subsidiary).

Glenn Gemerts, Executive Committee Chair for the IGF, commended efforts to support the IGF and improve dialogue among companies, countries and local communities while urging a pragmatic approach to achieving goals.

- We are moving towards understanding each other through dialogue and interaction. We need to be realistic and pragmatic in our goals.
- Communities affected by mining want to become part of the development plan and are starting to understand that this is a business. Need to clearly define roles, identify shared interests.
- Biggest challenge is getting local communities to realize that mining is not an end in itself, but can be used as a trigger for future development.
- ASM is a critical issue!

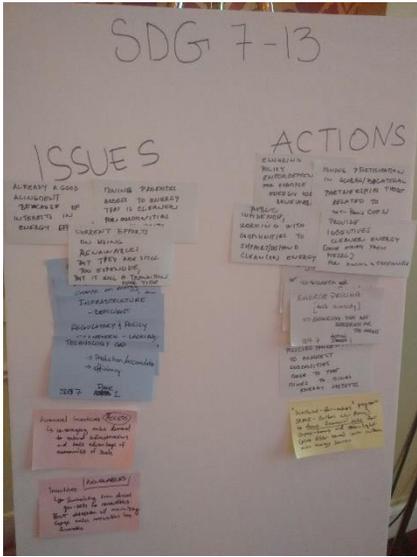
Roundtable discussion summary:

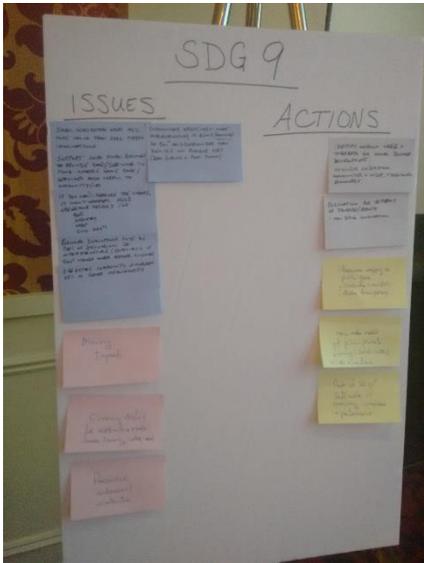
Participants broke into groups for a lively discussion about the issues hampering SDGs and actions which could be taken to address them.



SDG goals 1-8	Issues	Actions
<p>No poverty</p> <p>No hunger</p> <p>Good health</p> <p>Quality education</p> <p>Gender equality</p> <p>Clean water & sanitation</p> <p>Renewable energy</p> <p>Good jobs & economic growth</p> 	<p>What does poverty eradication look like?</p> <p>How to protect communities from cyclical risk?</p> <p>For mining to act as a catalyst need multi-stakeholder processes, not just industry-led development projects.</p> <p>Disconnect among stakeholders & lack of shared knowledge.</p> <p>Need more macro-economic policy support & capacity building: tax capture & effective resource utilization key to real scale.</p> <p>Procurement: lack of data & transparency, need to engage local suppliers.</p> <p>Investment does not always equal benefit: challenges in tax policy, contracts, governance, & metrics hamper partnerships/impact.</p> <p>Tax avoidance.</p>	<p>Establish legal & fiscal priorities to fund target initiatives.</p> <p>Local Development Investment Funds.</p> <p>Community Development Agreements (CDAs).</p> <p>Work with orgs already on the ground to allocate community resources.</p> <p>Create mechanisms for accountability of development outcomes.</p> <p>Create opportunities for shared learning at the</p> <p>Regional level & reinforce support for multi-level institutions like EITI.</p> <p>Scale up successful strategies.</p> <p>Help local suppliers improve practices to meet standards (eg. catering) & open up company contracts to local entrepreneurs.</p> <p>See gender as cross-cutting across all SDGs.</p> <p>Improve education.</p>

SDG goal 6	Issues	Actions
<p data-bbox="183 268 488 296">Clean water & sanitation</p> 	<p data-bbox="634 268 922 338">Water is a major risk for industry.</p> <p data-bbox="634 363 943 432">Lack of clear international standards.</p> <p data-bbox="634 457 1000 562">Many communities don't have access to clean water & sanitation.</p> <p data-bbox="634 588 841 615">Scarcity of water.</p> <p data-bbox="634 640 919 709">How to fund, manage & maintain infrastructure.</p> <p data-bbox="634 735 976 762">Culture not to pay for water.</p>	<p data-bbox="1057 268 1393 380">Address water at watershed level: promote integrated water management.</p> <p data-bbox="1057 405 1357 548">Capacity development to enable better regulation, management & inter-ministerial coordination.</p> <p data-bbox="1057 573 1393 678">Prioritize broader impact on human health, educate public.</p> <p data-bbox="1057 703 1393 846">Adopt new technology for recycling water & reducing contamination: tailing dams are a priority.</p> <p data-bbox="1057 871 1393 1056">Develop methodology for integrated Water in Mining (AWS) & set up PPP to address issues, involve communities & find funding.</p> <p data-bbox="1057 1081 1333 1150">Adopt site-level water stewardship standards.</p> <p data-bbox="1057 1176 1422 1278">Invite innovators to present at next SDG forum: Dean Kamen & Peter Diamonds.</p>

SDG goals 7-13	Issues	Actions
<p>Renewable energy</p> <p>Good jobs & economic growth</p> <p>Innovation & infrastructure</p> <p>Reduced inequalities</p> <p>Sustainable cities & communities</p> <p>Responsible consumption</p> <p>Climate action</p> 	<p>Already good alignment because of cost incentive of energy efficiency.</p> <p>Lack of regulatory & policy framework hampers goals.</p> <p>Communities not involved or equipped to deal with climate change.</p> <p>Economic downturn means companies focused on bottom line, culture changed with management turnover.</p> <p>Technology gap: renewable energy still expensive, so easier to improve efficiency than go clean.</p> <p>Confusion over what really works to reduce GHG.</p> <p>Focus on resiliency & adaption: need to also look at mitigation.</p> <p>Renewables like solar take a lot of physical space, expanding mine footprint.</p> <p>Infrastructure deficiencies.</p> <p>Impact of low carbon future on industry (demand increases in specific metals etc.)</p>	<p>Provide clean energy & efficiency incentives, set standards, & enforce them.</p> <p>Market-appropriate energy prices & subsidies.</p> <p>Energy infrastructure partnerships: companies gain economies of scale on purchasing, share best practices.</p> <p>Develop industry standards for GHG/clean energy reporting.</p> <p>Mining industry participation in COP21 partnerships.</p> <p>Policies/agreements to connect communities to mine energy systems.</p> <p>More tools for communities to engage with mining 'social enterprise'.</p> <p>Sunshine-for-mines program (RMI – Carbon War Room) to demonstrate financial case for copex-heavy & opex-light (plus ESG issues) lower carbon mine energy sources.</p>

SDG goal 9	Issues	Actions
<p>Innovation & infrastructure</p> 	<p>Need policy coherence between global initiatives.</p> <p>Need to address cumulative impacts of infrastructure development.</p> <p>Finance deficit for extraction needs: roads, housing, water.</p> <p>Need to improve planning process to bring together stakeholders: regional development must be part of discussion (especially if government takes over closure.)</p> <p>Innovation poses greater challenge for juniors.</p> <p>Resource mapping as public good: resource corridors, data transparency.</p> <p>Green economy opens new opportunities: lithium boom.</p> <p>Small incidental steps can be more valuable than rare major innovations.</p> <p>Need effective measures.</p>	<p>Governments need to mandate SDGs & ensure mining aligns (infrastructure, business development, etc.)</p> <p>Publically-listed mining companies should be required to establish UNSDG communities (board level.)</p> <p>Integrate mine planning with regional development instead of treating each project as a stand-alone entity.</p> <p>Create a database of successful mining innovations.</p> <p>Right-sized mines: explore innovative approaches to developing deposits & addressing community concerns.</p> <p>Regulation for reporting progress/results can drive innovation.</p> <p>Support local businesses: use as suppliers, identify development needs.</p> <p>Engage local communities: include indigenous groups & traditional knowledge.</p>

SDG goal 15	Issues	Actions
<p>Life & land</p>	<p>Lack of incentives to implement regional planning on biodiversity protection.</p> <p>Need to recognize importance of ownership & stewardship.</p> <p>Weakness or absence of land use planning from governments.</p> <p>Mining companies manage land around their operations for biodiversity & species protection.</p> <p>Enforcement compliance vs. self-regulation.</p> <p>Need to collect & share data for monitoring impacts.</p> <p>In-migration to mining sites requires collaborative planning to mitigate impacts.</p> <p>Artisanal mining: global problem mitigating & managing impact on land.</p>	<p>Landscape level planning to mitigate negative cumulative effects.</p> <p>Develop tools to evaluate ecosystem services (costs & benefits).</p> <p>Establish IBA-type agreements to protect local ecosystems with regular dialogue between company & community & dispute resolution.</p> <p>Require companies to create a biological survey as part of the licensing process & share it with both government & the public.</p> <p>Partner with tech companies (eg. Barcode of Life) for wildlife management & approaches.</p> <p>Use Canadian model for geological surveys: government does large-scale geology, companies do more detailed work on their properties.</p> <p>Apply community water monitoring to biodiversity.</p> <p>Formalize artisanal mining: introduce regulations.</p>

SDG goal 16	Issues	Actions
<p>Peace & justice</p>	<p>No silver bullet for addressing corruption.</p> <p>Need more transparency on payments by businesses & communities.</p> <p>Taxation regimes & fiscal responsibility.</p> <p>Lack of government regulatory capacity.</p> <p>Industry wants peace, justice & strong institutions.</p> <p>Need leadership from all levels of government to achieve sustainable change.</p> <p>Roles are messy: there is mission creep on governance, services. Who leads? Can NGOs act as broker to fill service gaps, build capacity? (Canadian north a good example)</p> <p>Industry can help, but conflicts of interest when industry is tasked with advising government.</p> <p>Industry often assumes role of state in remote areas.</p> <p>How to involve markets?</p> <p>Lack of justice: nearby communities have worse services than in mine operations (roads, water.)</p> <p>Soft institutions missing: lack of trustworthy grievance mechanisms.</p> <p>Negotiating paradigm makes it difficult to achieve consensus.</p> <p>Need to stop seeing indigenous communities as a single group, recognize they have multiple interests.</p> <p>Cultural sensitivity: listening is as important as talking.</p>	<p>Consider developing Bribery Act & Extractives Transparency Act.</p> <p>Validate transparency & create a legitimate grievance mechanism process.</p> <p>Ensure accountability for all stakeholders.</p> <p>Avoid power imbalance between communities, companies & government.</p> <p>Tackle underlying root causes of violence, insecurity rather than just the symptoms. Address issues with wealth distribution.</p> <p>Avoid high risk areas.</p> <p>Contractors work in collaboration with trade commissioners to identify risks before work implementation.</p> <p>Conduct due diligence & human rights risk assessments & study mitigation options.</p> <p>Consultation process must be inclusive (women, youth etc.) & open (don't limit issues).</p> <p>Ensure information shared with communities during consultations is transparent (include neutral third party, open books) & not limited to the benefits.</p> <p>Identify & engage leaders once everyone is at the table.</p> <p>Tax credit directed to support consultation process.</p>

Other SDGs	Issues	Actions
<p>No hunger</p> <p>Gender equality</p> <p>Clean water & sanitation</p> <p>Sustainable cities & communities</p> <p>Partnerships for the goals</p>	<p>Underlying social norms a barrier to gender equality.</p> <p>Barriers to female engagement.</p> <p>Can't impose norms on local governments & communities.</p>	<p>Use geoscience to increase crop yields: government & company partnerships to get data.</p> <p>Make a business case for gender equality.</p> <p>Leverage mining investments to change norms, policies.</p> <p>Look beyond jobs for women: procurement services, economic diversity.</p> <p>Conduct mapping exercise to understand global best practices in gender & mining.</p> <p>Developed countries should push for responsibly produced products & be mindful of consumption.</p> <p>Build capacity of governments to negotiate, eliminate asymmetry of information both geological & negotiation capacity.</p> <p>Contracts should be able to address fluctuations in community pricing.</p> <p>Use mining investment as an opportunity to think about urban development (in context of population growth.)</p> <p>Mining companies should build capacity of nearby communities so they can survive closure.</p> <p>The downturn is an opportunity to develop partnerships & capacities so everyone is ready when the market improves.</p> <p>Partnerships must extend across the value chain & include small-scale mining.</p>