



# **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***

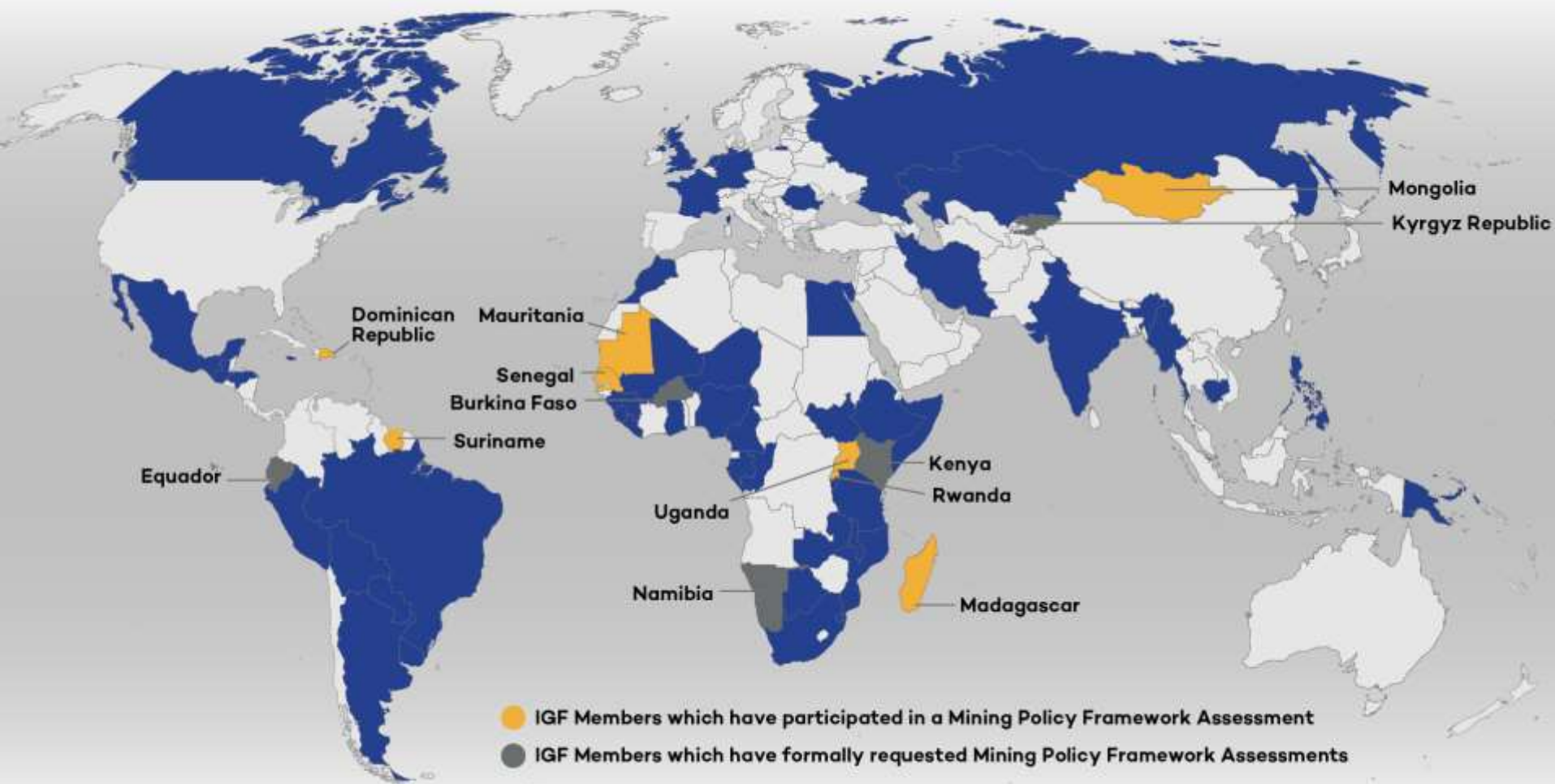
***Lessons from IGF's Global Mining Policy Framework Assessments***

IGF 2017 Annual General Meeting

17 October 2017 16:45

Palais des Nations, Room XXVI, GENEVA, Switzerland

# IGF Member States – MPF assessments



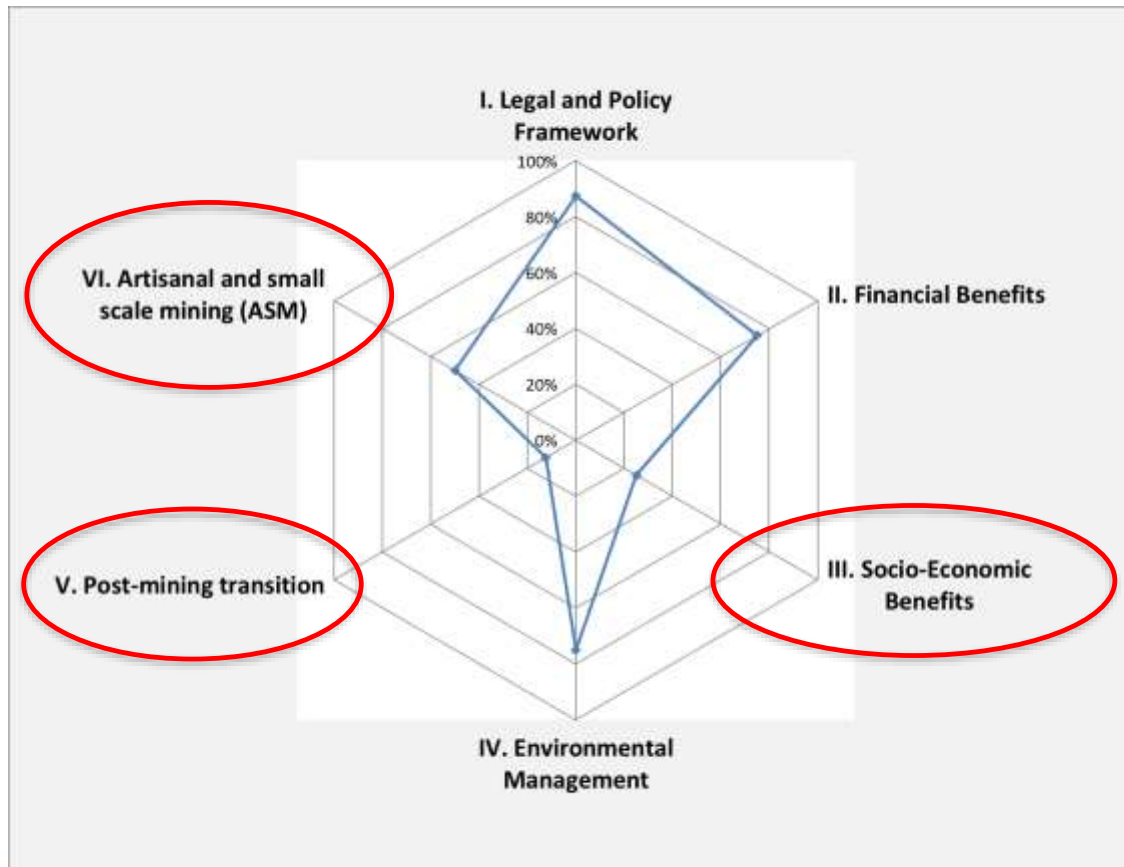
# MPF Results – implementation of one MPF (example)

- 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)

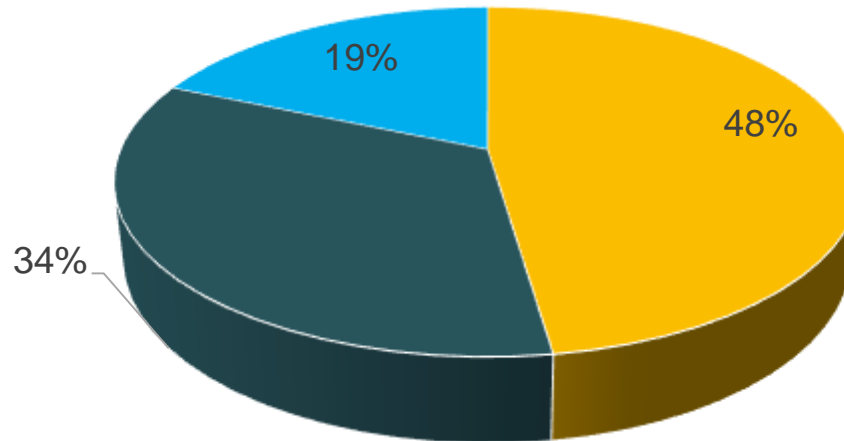


Thank you

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# Complementary diagnostic ESG tools

MinGov & MPF – Example country



■ MinGov Directly ■ MinGov + Other source ■ Author

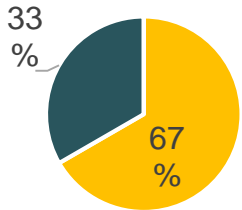
- 48% MPF recommendations fully addressed by MinGov
- 34% of MPF adequately addressed
- 19% of MPF not addressed

# The Detail (1)



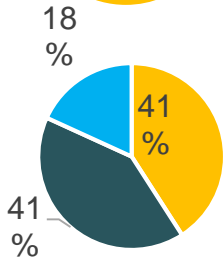
## ***Legal and Policy***

MinGov fully addresses all the MPF recommendations



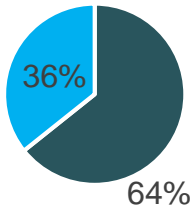
## ***Financial Benefits***

67% MPF fully addressed  
33% adequately covered



## ***Socio-Economic Benefits***

41% MPF fully addressed  
41% Adequately addressed  
18% Not Addressed

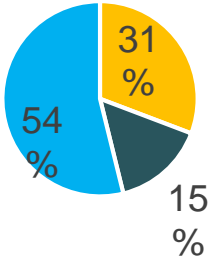


## ***Environment***

64% Adequately Addressed  
36% Not Addressed



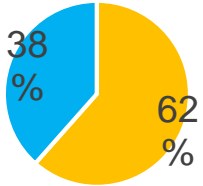
# The Detail (2)



## ***Post-Mining Transition***

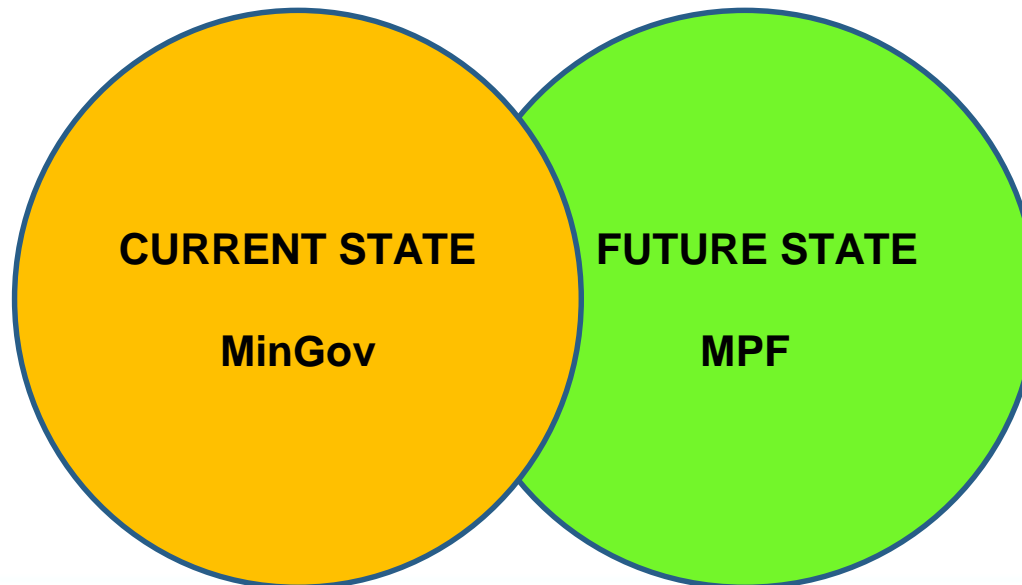
30% fully addressed

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

5. Policy Recommendations on Post-mining Transition							
A. High-quality and up-to-date mining closure plans	Score	0 (LOW)	1 (MEDIUM)	2 (HIGH)	Guidance	Key Question(s)	ASSESSMENT NOTES: IMPLEMENTATION, OBSERVATIONS, SWOT (Strengths, Weaknesses, Opportunities, Threats/Risks)
A1	Existence of legal and regulatory frameworks for closure	Legal and regulatory framework for closure does not exist	Legal and regulatory framework for closure exists, but with major gaps, inconsistencies or other insufficiencies	Comprehensive legal and regulatory framework for closure exists, addressing environmental, social and economic elements of closure	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 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.	Does a legal and regulatory framework for mine closure exist and how comprehensive is it?	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 to plan for mine closure (rehabilitation) but no other related measures
A2	Institutional capacity to monitor and enforce legal and regulatory frameworks	Institutional capacity to monitor and enforce legal and regulatory frameworks does not exist; government rarely inspects mine sites	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	Institutional capacity to enforce legal and regulatory frameworks is strong; all mines are regularly inspected, and high priority mines are inspected frequently	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.	What is the level of institutional capacity to monitor and enforce legal and regulatory frameworks? Are mine regularly inspected? Are high priority mines frequently inspected?	Efforts are duplicated among institutions Poor coordination Mines not regularly inspected due to low financial means Definition of high priority high priority mines is not legally recognized
A3	Require that stakeholders be consulted in the development of closure objectives and plans	Government does not require stakeholders to be consulted in the development of mine closure objectives and plans	Government does not provide adequate requirements for stakeholders to be consulted in the development of mine closure objectives and plans	Government provides comprehensive requirements for stakeholders to be consulted in the development of mine closure objectives and plans	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.	Are there comprehensive requirements for stakeholders to be consulted in the development of the mine closure objectives and plan?	The business plan for a mining license indicate the shares of each shareholder The EMP for mining indicates the responsibility of each stakeholder in monitoring the implementation of the EMP
A4	Require that a comprehensive closure report and adequate financial assurance be	Government does not require that a comprehensive closure report	Government sometimes or inadequately requires that a closure report	Government regularly and comprehensively requires that a	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:	Is a comprehensive closure report and adequate financial assurance provided	Ministerial order No 001/MINIREN2015 provides comprehensive modalities and requirements for financial guarantee

1. Legal and Policy

2. Financial Benefits

3. Socio-Economic Benefits

4. Environment

5. Post-mining Transition

6. ASM

# MPF Summary of assessment results

MPF Results - June 2017

	Legal and Policy	Financial Benefit	Soico-economic Benefit	Enviro Management	Post-mining Transition	Artisanal and Small-scale
Dominican Republic	Medium score	Medium score	Gap - Low score (follow-up capacity building)	Medium score	Medium score	Gap - Low score (follow-up capacity building)
Uganda	Medium score	Medium score	Gap - Low score (follow-up capacity building)	Medium score	Gap - Low score (follow-up capacity building)	Medium score
Madagascar	Medium score	Medium score	Gap - Low score (follow-up capacity building)	Medium score	Gap - Low score (follow-up capacity building)	Gap - Low score (follow-up capacity building)
Suriname	Gap - Low score (follow-up capacity building)	Medium score	Medium score	Medium score	Gap - Low score (follow-up capacity building)	Gap - Low score (follow-up capacity building)
Senegal	Medium score	Medium score	Gap - Low score (follow-up capacity building)	Gap - Low score (follow-up capacity building)	Gap - Low score (follow-up capacity building)	Medium score
Mongolia	Medium score	Gap - Low score (follow-up capacity building)	Gap - Low score (follow-up capacity building)	Medium score	Gap - Low score (follow-up capacity building)	Medium score
Rwanda	Medium score	Medium score	Gap - Low score (follow-up capacity building)	Gap - Low score (follow-up capacity building)	Gap - Low score (follow-up capacity building)	Medium score
Mauritania	Medium score	Gap - Low score (follow-up capacity building)	Medium score	Medium score	Gap - Low score (follow-up capacity building)	Gap - Low score (follow-up capacity building)

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 – 1<sup>st</sup> 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 56<sup>th</sup> member

2017 – Ecuador becomes 56<sup>th</sup> member

2017 – 13<sup>th</sup> AGM in Geneva, October 16 - 20



## IGF – what we do

### Engagement and Outreach

- IGF meetings, membership and partnerships with other organizations

### 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 3<sup>rd</sup> 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

