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# Extractive Industries and the Sustainable Development Goals

Geneva

October 27, 2015

# Presentation Overview

1. Introducing the SDGs. What is new and different?
2. Role of the Extractive Industries: Roadmap - “Mapping Mining to the SDGs”
  - Examples of approaches
  - Roles and responsibilities
  - Key cross-cutting issues to enhance mining’s contributions
3. Moving the agenda forward – Dialogue, knowledge, action



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# 1. The 2030 Agenda and the Sustainable Development Goals

- Origin: Rio+20
- Broad, inclusive consultations:
  - All stakeholders
  - National consultations – 100 countries
  - MyWorld – 8.5 million people
- Adopted by all UN Member States September 2015
- Building on MDGs but going beyond

# 1. The 2030 Agenda and the SDGs

*Rebalancing and  
integration of the three  
dimensions of sustainable  
development*

# 1960s – 1970s

**SOCIAL  
DEVELOPMENT**

**ECONOMIC  
DEVELOPMENT**

**ENVIRONMENTAL  
SUSTAINABILITY**

# 1980s



**SOCIAL  
DEVELOPMENT**

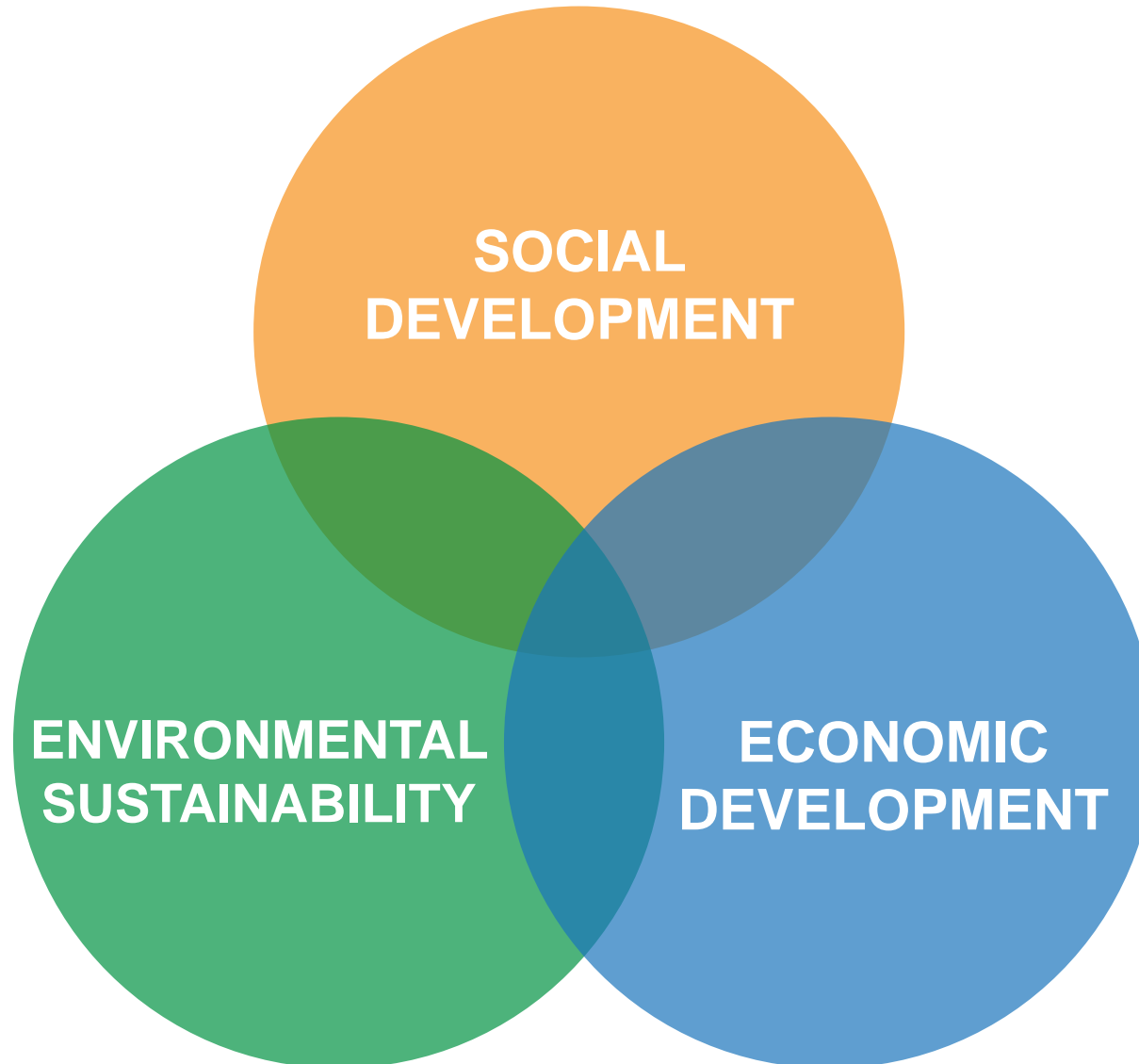
**ECONOMIC  
DEVELOPMENT**

**ENVIRONMENTAL  
SUSTAINABILITY**

# 1990s – 2000s



# 2015





# 1. The 2030 Agenda and the Sustainable Development Goals

## AGENDA STRUCTURE



# 1. The 2030 Agenda and the SDGs



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# 1. The 2030 Agenda and the SDGs



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## Key Principles

- *Integration* – the Goals are indivisible
- *Universality* – not uniformity but differentiation
- *Leaving no one behind*
- *Accountability* among all – quality & accessible data and knowledge

## Implementation

- All countries and all stakeholders, in collaborative partnership (SDG 17)
- Finance: Mobilize all resources available – public, private, domestic, international - seek to align with SDGs. [Financing for Development, AAAA]
- Capacity building, transfer of technology, trade
- Policy coherence, Partnerships, Dialogue

## Follow up & Review

- Governments - main responsibility
- High-level Political Forum (General Assembly and Economic and Social Council) - central global role
- Indicators will be developed by Spring 2016
- Statistical capacities to be strengthened

# 1. UN Support for SDG Implementation - MAPS



## MAINSTREAMING

- **Landing the SDG agenda at the national and local levels:** integration into national and sub-national plans for development; and into budget allocations



## ACCELERATION

- **Focus on priority areas** defined by respective countries
- Support an **integrated approach**, including synergies and trade-offs
- **Bottlenecks assessment**, financing and partnerships, and measurement



## POLICY SUPPORT

- **Support – skills and experience - from respective UN agencies to countries**, which should be made available at a low cost in a timely manner

## 2. Role of Extractive Industries in the SDGs?

- Unprecedented spirit of cooperation required to achieve SDGs – including business and industry sectors
- Large-scale mining is a global industry - 6,000 companies, 2.5 million people (with ASM – many millions more). Operations increasingly located in poor or developing countries.
- Provide critical economic development opportunities, public revenues for sustainable development
- BUT - sometimes also associated with: environmental degradation, lack of economic diversification, worsening inequalities, conflicts, corruption, gender-based violence, displacement, health problems
- Significant opportunities to align sector policies, practices with the SDGs and national development priorities

### **So what is UNDP and its partners doing?**

- “Mapping Mining to the SDGs” - report
- Dialogue on Extractives and Sustainable Development, Brasilia – Cross-cutting Areas for Action
- Moving the agenda forward – Dialogue, knowledge, action





# 2. Roadmap - “Mapping Mining to the SDGs”

- “Mapping Mining and SDGs” (UNDP, WEF, CCSI, UNSDSN) in consultation with industry, governments, NGOs
- There are no dedicated goals or targets to Extractives – but mining impacts on all goals...
- ...and a lot is happening in the sector – the SDGs provide an opportunity to align efforts under one global framework



## 2. Roadmap - “Mapping Mining to the SDGs”

### 1. Mining impacts all 17 SDGs

- Varying degrees
- Multi-directional- Spectrum of challenges and opportunities

### 2. Mining impacts six goals most directly

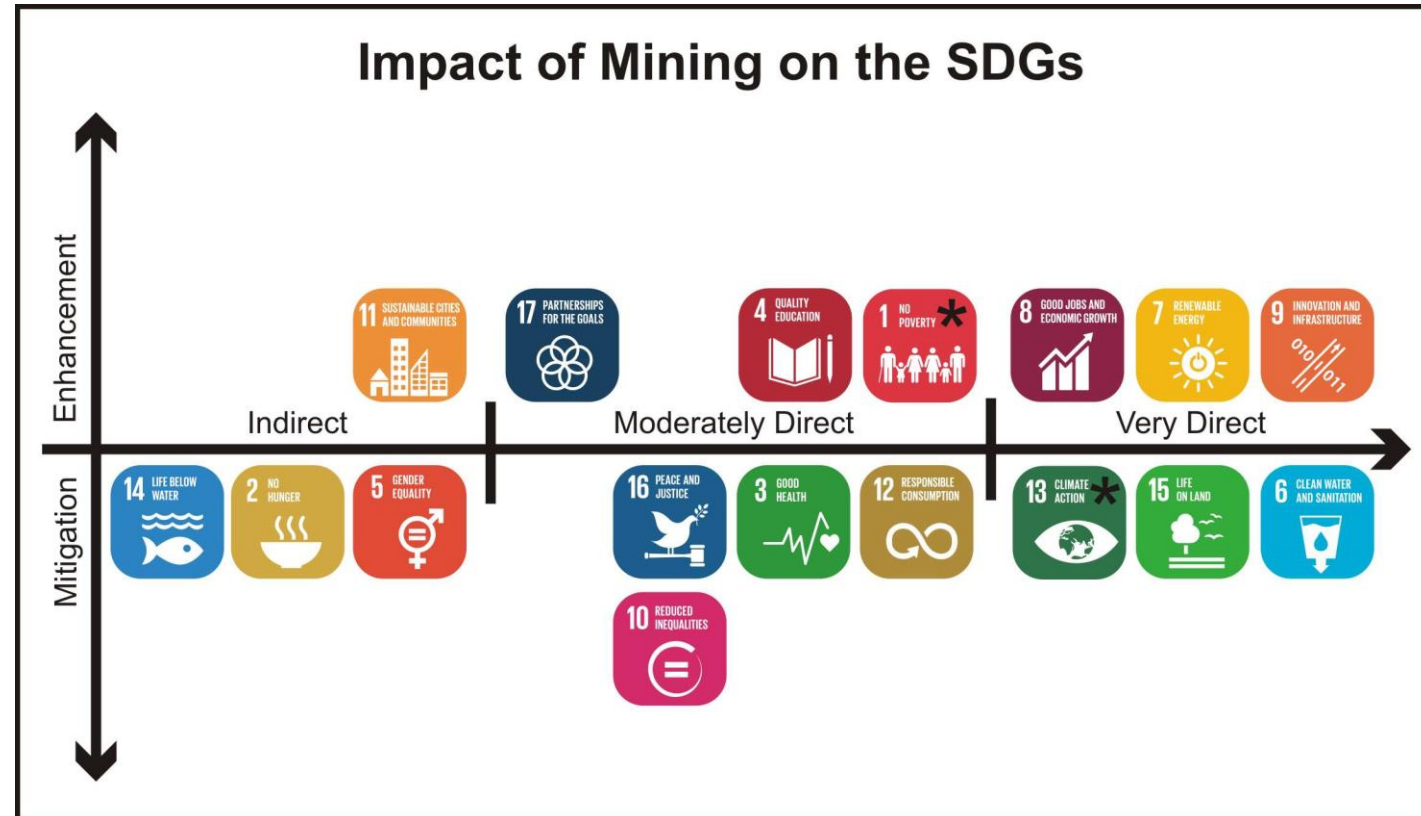
- SDG9 (Infrastructure, Innovation, and Industrialization)
- SDG8 (Employment and Economic Growth)
- SDG7 (Energy Access and Sustainability)
- SDG6 (Clean Water and Sanitation)
- SDG15 (Ecosystem and Biodiversity Protection)
- SDG13 (Climate Action)

### 3. Achieving resource-based development is challenging

- Barriers - lack of local capacity, volatile commodity environment, expectations and perceived responsibilities

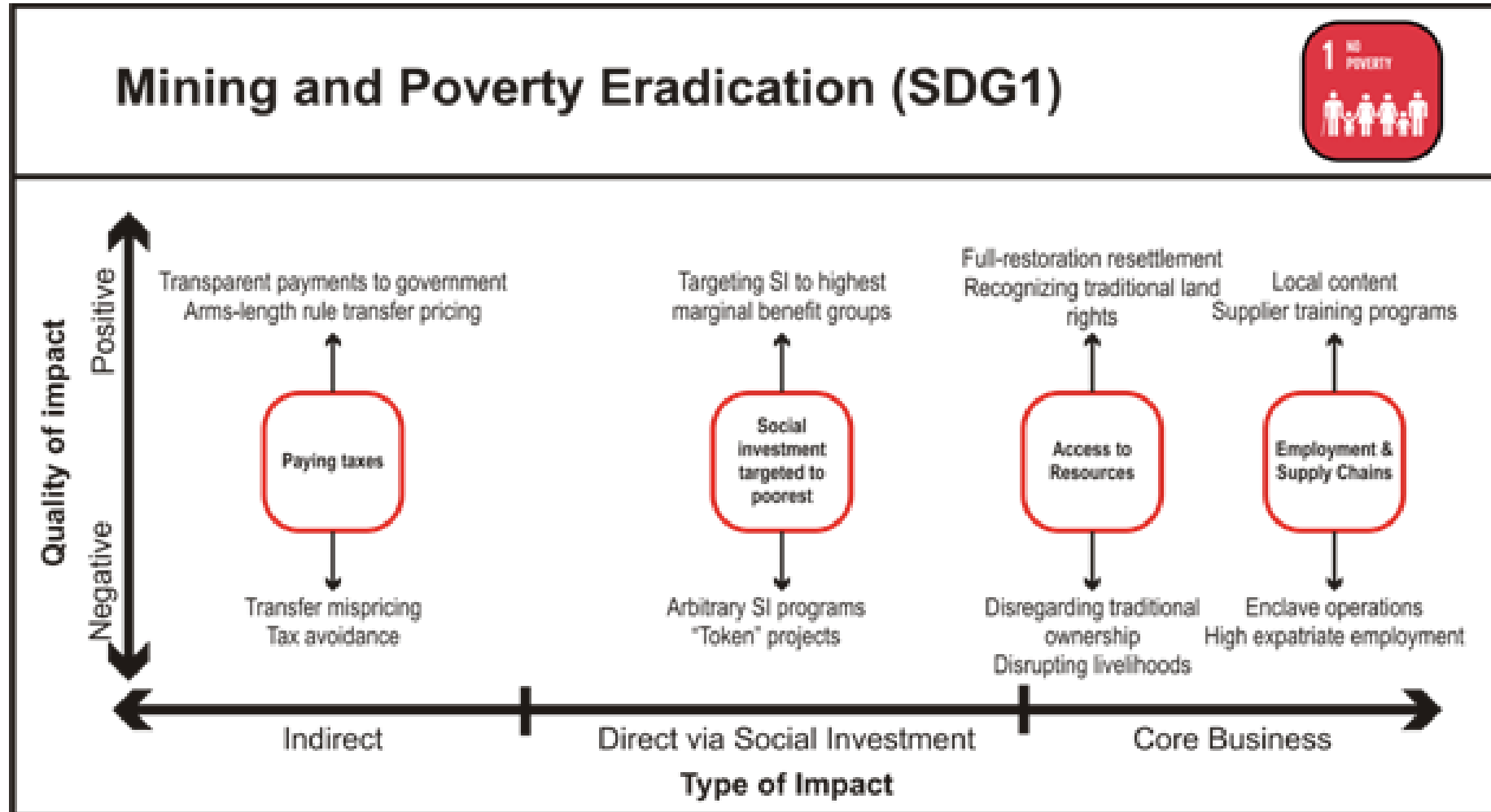
### 4. Enhanced partnership and dialogue will be critical

- Systematic and sustained dialogues and partnerships needed.
- SDGs create new pre-competitive space?





## 2. Roadmap - “Mapping Mining to the SDGs”





## 2. Roadmap - “Mapping Mining to the SDGs”

### **Role of Industry and mining operations:**

- Core business – align with national / local development plans
- Social investments – align with
- Indirect – taxes, contribute to public policy
- Beyond compliance with the law in weak governance environments

### **Communities, civil society, academia**

- Monitoring, transparency
- Capacity development
- Information, data, statistics

### **Roles of Governments:**

- Legal, regulatory & policy frameworks, aligned with national sustainable development plans
- Monitor and enforce regulations
- Manage and invest revenues in the SDGs
- Facilitate inclusion, dialogue and collaborative processes
- Transparency and information

### **Development partners, multilateral organizations**

- Capacity development
- Expertise
- Facilitate cross-country exchanges, learning

## 2. Roadmap - “Mapping Mining to the SDGs”

### Characteristics of effective, innovative approaches

- The Agenda seeks to balance economic, social, environmental. This requires **integrated, inter-linked approaches** - avoiding stand-alone, single-issue interventions.
- **Multi-stakeholder** in nature to address complexity and integrated nature of the Agenda.
- Move towards **“shared value”** and focus on **role of core business** – away from philanthropy and CSR
- Learn from practice to define **standards and public policies** – “mainstream”

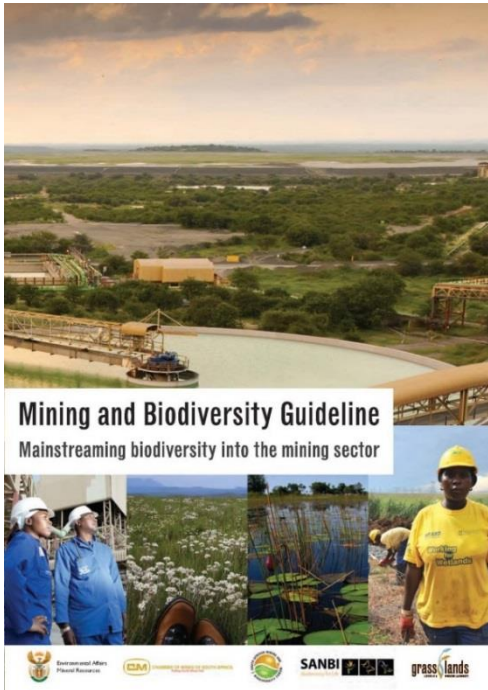
# 2. Roadmap - “Mapping Mining to the SDGs”

## Example : Multi-stakeholder Approach



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### South Africa Grasslands Project & Mining



#### Mining and Biodiversity Guideline

- Enables industry and regulators to ensure incorporation of BD issues to EIAs, mining licensing and water licensing
- Approved by Ministers of Environment, Mineral Resources
- Chamber of Mines committed its 69 members to implementation.

**How?** 3-year multi-stakeholder process resulted in guidelines – change in policy & business practices





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## 2. Roadmap - “Mapping Mining to the SDGs”

*Example SDG : Multi-stakeholder; Institutionalize*

### Partnerships to manage natural resource conflicts Peru

*(Government of Peru, UNDP, Canada)*

- Institutionalization of multi-stakeholder dialogue in 15 provinces
- A National Office for Dialogue strengthened - National System for Conflict Prevention put into practice – tools, guidance, policy (e.g. Prior Consent)
- Integrated approach to address complex drivers of conflict (environment, local development, gender)
- Multi-stakeholder – strengthen capacity of CSOs, indigenous groups, companies in conflict prevention

***SDGs 5, 6, 16, 17***

Conflicts Prevented  
by Location

●  
Location of  
55 finalized cases  
at national and  
multi-regional levels



Source: ONDS - PCM, December 2013.



## 2. Roadmap - “Mapping Mining to the SDGs”

*Examples: Towards Integrated approaches...*

### **World Class Suppliers Programme, Chile (BHP, Codelco)**

- Help suppliers develop new solutions to environmental and operational challenges
- Water, energy, HSEC, human capital and operational efficiency – defined as priorities
- 43 innovation projects, 36 suppliers, 5,000 employees, combined sales of \$400 million
- Resulting in e.g. reduced electricity consumption & water usage, more durable products, increased safety etc.
- BHP invested around \$50 million; savings from innovations estimated at \$121 million

**SDGs 6,7,8,9**

### **Nacala Logistics Corridor – Mozambique**

- 900km railway to connect mine to Nacala port
- Coal transport + general cargo and shared use, including agriculture
- Partners: Government of Mozambique; Government of Malawi; Vale / Mitsui; Nacala Corridor Fund

Infrastructure project seeks to catalyze broader economic and agriculture development. Unclear if environmental and social issues taken into account – but opportunities to do so!

**SDGs 2,8,9,?**





# 2. Key cross-cutting issues to enhance mining's role

## *Brasilia Global Dialogue on Extractive Industries and Post-2015 Agenda*



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Overall – Towards a greater **PEOPLE** focus in the sector

### 1) **Governance, regulations and transparency**

*Critical to drive paradigm shift towards greater sustainability in sector*

- Mainstream sustainable development into extractive sector governance and regulations
- Take “whole of government” approach to maximize development impacts of sector (mining, finance, economy, environment, transport etc)

### 2) **Dialogue and Partnership**

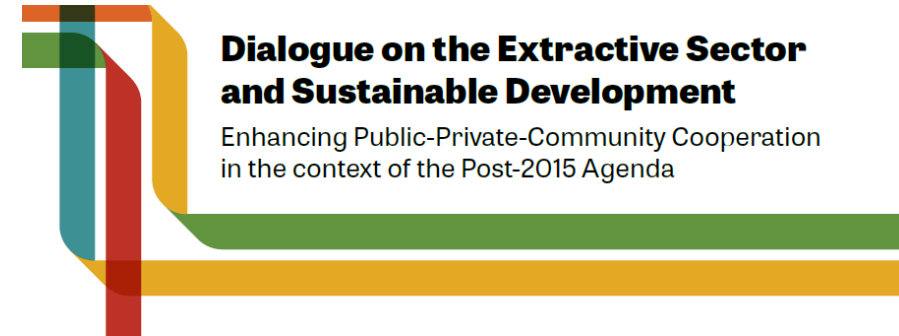
*Multi-stakeholder dialogue essential to build vision, trust, transparency, tools, policies, standards – “collaborative governance”*

- Institutionalize dialogue and partnership in the sector

### 3) **Capacity Development**

*Weak capacities often a main constraint for SD*

- Build capacity for implementation, monitoring and enforcement of policies and regulations, especially related to environmental governance and social issues



### 3. Moving the agenda forward – Dialogue, knowledge, action

- Advancing greater understanding and collaboration around specific SDGs, through thematic work streams, e.g.
  - Extractives and SDG 16
- Use “Mapping Mining and the SDGs” to initiate more systematic dialogue at the country level on extractives and national SD priorities
  - Test in a few countries with the aim to achieve: (outcomes from BE doc)
- Provide online space for knowledge and exchanges on role of extractives and SDGs
- Occasional global dialogues to assess sector’s role vs SDGs?



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THANK YOU