

**Intergovernmental Forum on Mining, Minerals, Metals
and Sustainable Development**

Eleventh Annual General Meeting
Geneva, Palais des Nations, 27 October, 2015.

Welcoming remarks by Samuel Gayi,
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Excellencies,
Honourable Ministers,
Distinguished Delegates,
Ladies and Gentlemen,

It is my pleasure to welcome you all in particular the 5 new members, to Geneva for the Eleventh Annual General Meeting of the Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development.

Minerals continue to play a key role in economic growth of several resource rich countries, but in several cases, mining activities have generated only very limited benefits for producing countries in terms of sustainable development and poverty reduction. In some of these countries, mining activities also have adverse social and environmental consequences for the communities living next to extraction sites, and sometimes even at the national level. For example, Artisanal gold mining, which accounts for more than a quarter of the global gold supply, is estimated to release 1,000 tons of toxic mercury per year. Some 15 million gold miners, including 4.5 million women and 600,000 children, are poisoned by direct contact with mercury. Such detrimental consequences could last for years even after operations have ended.

In this context, the activities of this Forum in improving the governance of extractive industries to contribute to sustainable development are of particular importance. Since its inception, the Forum has focused its work on reviewing and discussing emerging best practices in mining and mining-related issues, be they social, environmental or economic. Your previous meetings provided deliberations related to mining in the framework of the multi-year work programme of the United Nations Commission on Sustainable Development. The major achievement in this regard is the Mining Policy Framework (MPF), the key document that provides the guidelines for the Forum's current and future activities. Indeed, we look forward to your reports on the MPF assessment in the three Pilot Project countries - Dominican Republic, Uganda and Madagascar.

The topic of this year's Forum is Post-Mining Transition and Environmental Management. You will consider best practices in overcoming a whole range of post-mining transition challenges, such as, environmental and social risks when closing a mine; requirements for mine closure planning; the possible future of an abandoned mine; the detrimental impacts of mine closure on local employment opportunities; and measures that will enable governments to exercise better governance of their mining sectors.

The topic of this year's Forum is very opportune, particularly in the context of the United Nations Sustainable Development Goals, which has poverty eradication as its overarching objective, encompassing economic, social and environmental dimensions of the sustainable development – the so-called SDGs or Agenda 2030. A joint report by the World Economic Forum , the United Nations Development Programme (UNDP), UN Sustainable Development Solutions Network (SDSN), and the Columbia Center on Sustainable Investment (CCSI)

concludes that mining impacts all 17 SDGs, and presents both challenges and opportunities in achieving the SDGs.

Over the course of this week, many institutions working on mining and development issues, such as the International Institute for Sustainable Development, the United Nations Development Program, the International Council on Mining and Metals, to name but a few, will share their experiences and initiatives in the field of sustainable mining in general and in post-mining transition, in particular. You will note that this year, the session traditionally devoted to presentations of UNCTAD, has been transformed into a United Nations Special Panel with presentations from the United Nations Research Institute for Social Development, UN Economic Commission for Africa and the UNCTAD Special Unit on Commodities.

Ladies and Gentlemen,

UNCTAD can look back on a long history of research and analytical work as well as several policy initiatives in the area of mining and development. In recent years, we have focused on the impact of mining on local and regional economies, and on the ways in which the minerals sector can contribute to sustainable growth and development. Many of you are aware of UNCTAD initiatives such as the Global Commodities Forum, and the Africa Oil, Gas, Minerals Trade and Finance Conference (OILGASMINE).

The Global Commodities Forum (GCF) brings together stakeholders from along the commodities value chain. It is an inclusive forum where public, private and civil society leaders meet and debate policy options to address a wide range of challenges faced by commodity-dependent developing countries.

The theme of this year's Global Commodities Forum which took place in Geneva from 13 to 14 April was "Trade in Commodities: Challenges and Opportunities". The Forum focused, among other things, on the significant shifts seen in commodities markets over the past year — especially the drastic fall in oil prices — and discussed their implications for resource-rich developing countries, as well as for other stakeholders in the commodities value chain. This stock taking included a session, organized in collaboration with the Organization for Economic Cooperation and Development, devoted to the policy space available to raw-material-exporting countries, including the increased use of export restrictions by these countries since 2008. You will find the 2015 GCF Report, both in English and French, on the UNCTAD website.

Allow me, also, to say a few words about the Africa Oil, Gas, Minerals Trade and Finance Conference (**OILGASMINE**), which is a renowned annual conference and exhibition jointly organized by UNCTAD and a host government of African countries. This event has been held since 1996 in sixteen different African countries. The Conference aims to examine ways to strengthen the contribution of the natural resources sector to the economic and social development of commodity dependent developing countries. It also provides an opportunity to highlight the potential of the host country, and the African continent as a whole, in the energy and mining sectors, and for conference participants to share experiences and knowledge, and create new partnerships and networks.

This year, the 17th OILGASMINE and Exhibition, will take place in Khartoum, Sudan, in approximately one month from today - from 23 to 26 November. The central theme for the event jointly organized by UNCTAD and the Government of Sudan is "Extractive Industries and Sustainable Job Creation".

Stakeholders will debate topics such as legal and regulatory frameworks for developing a sustainable mining industry; challenges and opportunities for job creation in artisanal-scale mining; training and capacity-building in the extractive industries for sustainable job creation; innovations and technology transfer; as well as partnerships for mining and petroleum sector development; and investments in renewables for green jobs, among others.

We would like to thank those of you who participated in the previous OILGASMINEs and invite you all to participate in the next one in Sudan.

I would also like to take this opportunity to share with you another initiative that UNCTAD has recently undertaken in the mining, minerals and metals field. UNCTAD is currently implementing a United Nations Development Account Project to strengthen the capacity of policy makers, technical personnel and national institutions in the Economic Community of Central Africa States (ECCAS) countries to enhance domestic linkages from the mineral resources sector.

The ten member States of ECCAS are endowed with large reserves of fuel and mineral resources. Indeed, ECCAS produces 51 percent of world cobalt, 25 percent of industrial diamonds and 30 percent of African crude oil. Under the right conditions, the exploitation of these mineral resources could generate substantial government revenues, jobs, and ultimately contribute to sustainable economic growth and development. Yet, mining regimes in these countries often remain narrowly focused on exporting strategic minerals to industrialized countries to earn valuable foreign exchange. The effects of mining activities on the local economies thus remain minimal, since the minerals sector has remained an enclave with

limited spillover effects in the form of jobs, or backward and forward linkages to the rest of the economy.

There have been studies showing that the value of local oil and gas field services could exceed that of the primary resource extraction. In 2014, for example, the value of global oilfield services is estimated to be about US\$167 billion. Even though the market is forecast to grow moderately in the upcoming years, it is expected to reach US\$292 billion in 2019. Our view is that resource rich countries could benefit from these services if policies are in place to train skilled manpower, provide basic physical infrastructure, including roads, reasonably priced around-the-clock power; and deliver improvements to weak institutions – e.g., efficient and transparent legal and regulatory frameworks.

The overall objective of the UNCTAD's DA project, in this context, is to develop beneficiary countries' capacities to design and implement participatory strategies for promoting local content, designing and strengthening lasting domestic economic linkages from mineral-exploitation-related activities. This would consist of, inter alia, stimulating dialogue between political leaders, and local business organizations and professional associations, as well as foreign investors on ways and means to ensure investment in mineral activities that facilitate the creation of new activities, jobs, and sub-contracting opportunities between foreign companies and local enterprises. The project will also address legal and regulatory framework issues, and will be implemented between 2015 and 2017 in three pilot countries in central Africa: the Republic of Chad, the Republic of Congo and the Republic of Equatorial Guinea.

Ladies and Gentlemen,

UNCTAD looks forward eagerly to the outcome of this year's Forum. We see IGF as making a key input on best practices in mining to enhance capacity in developing countries to address challenges emanating from the exploitation of their natural resources. Furthermore, we see the Forum's deliberations as contributing to the global debate on policies that improve mineral exploitation, development and production, such that the net impact of these activities is positive for host countries in terms of growth and sustainable development. As such, UNCTAD is keen on strengthening its cooperative arrangements with the IGF.

I am convinced that as in previous Forums this week's discussion will make a substantive contribution to establishing a common ground for governments, UN agencies and the NGOs on how to address the seemingly intractable problems related to post-mining transition and environmental management.

I therefore wish you successful deliberations.

Thank you.