



Statement on behalf of the European Union and its 27 Member States

By

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Mr. Chair,
Distinguished Delegates,

I have the honour to speak on behalf of the European Union and its 27 Member States.

Minerals and metals are essential for modern living. Access to and affordability of mineral raw materials are crucial for the sound and sustainable functioning of the world economy and modern societies. Mine operations, when properly managed, also have an enormous potential to create, contribute to and support sustainable development of communities.

In the 21st century, mining mineral extractive industries can continue to be a fundamental sector for sustainable development and poverty eradication. The resource paper of the Bureau shows important steps in the right direction. But, above all, the EU believes that an integrated and holistic approach is necessary in the mining sector to address the existing challenges.

The EU would like to share the following priorities with CSD 19 IPM delegates, which are – in our view - required for good environmental, social and economic governance of the mining sector and the generation of equitable sharing of benefits, contributing to sustainable development when progressively implemented.

In this context, we would set as the **first EU priority on Mining the *Development of Good Governance in the Mining Sector.***

The EU wishes that the UN, working together with Governments, companies and relevant stakeholders, that seek to promote economic, environmental and social development through investment in the extractive sector, promotes and improves governance through strong recommendations to Governments to develop and produce guidelines and best practices covering the Legal, Policy and Institutional Environment, and the Producer Countries Benefit Maximization in terms of Financial,

Economic and Social Benefit Maximization. There is also a need to improve working and living conditions of miners, as well as, to address the issue of children working in mines, while protecting livelihoods.

Environment and Natural Resources Management is also a priority issue for the EU. We consider that more efforts have to be done to increase resource efficiency and reduce waste generation, notably by increasing recycling/reuse and improving the design of the products.

The EU also considers that it is fundamental to build the eco-systems dimension by integrating the promotion of biodiversity conservation goals into national and regional mineral extraction plans. A guidance document on mining and preservation of biodiversity has been published by the EU.

As far as mine wastes, surface and ground water protection and energy consumption minimization are concerned, the EU considers that priority attention should be given to:

- 1- Minimizing the waste generated, through modified patterns of production and consumption contributing to waste prevention, reuse, recycling and converting waste into products.
- 2- Increasing recycling and reuse of water and other natural resources, protecting surface and ground water from contamination and minimizing the energy used to produce raw materials and derived products.
- 3- Developing a broad sustainable framework to be applied worldwide to the initial design of storage facilities, tailings and waste management, closure, post-closure and remediation of abandoned mine sites in such a way that they present negligible public health, safety and environmental risks, and low social and environmental impacts during operation and post-closure.

As EU's third priority, we consider the *Post Mining Transition Period* to be of the utmost importance. In this regard, we believe that there is a need for Governments:

- to provide legal and regulatory frameworks for closure;

- to have the institutional capacity to monitor and enforce their provisions;
- to require that stakeholders be consulted in the development of closure objectives and plans;
- to ensure that a comprehensive closure report and adequate financial assurance be provided before the requisite development and mining permits for a new mine are approved.

On the other hand, there is also a need for the development of effective and efficient approaches to the funding of closure.

Finally, we believe it is necessary to focus on the legacies of the past in the form of abandoned and orphan sites of minerals related activity, including their waste facilities.

The Fourth EU Priority on Mining concerns the *Informal and formal Artisanal and Small-scale Mining*. In this regard, we find it most important that informal artisanal and small-scale mining operates according to basic environmental and social standards. Ultimately, policies and development programs are needed to allow for the professionalization and formalization of these activities. Health and educational needs of children in Artisanal and Small-scale Mine environments deserve special attention.

It is equally important to promote and support the formal artisanal and small-scale mine sector. Policies and regulations need to be drafted in order to ensure that formal artisanal and small-scale miners are regarded and treated as official members of the national mining industry.

Finally, ***Markets Transparency in the International Mineral Trade is what the EU would elect as the fifth priority*** in terms of a more sustainable agenda for the mining sector.

In this context, the EU deems that it is necessary:

- An improvement of knowledge of the fundamental changes in the global markets that are threatening the principles of competitiveness.
- Promotion of transparency to avoid measures that distort international trade in raw materials.
- Ensuring access to raw materials from international markets under best possible conditions for all competitors, through enhanced dialogue between producers and consumers. The specific interests of Least Developed Countries should be taken into account in this dialogue.

Thank you.

Background and detailed position of the EU and its Member States

Minerals and metals are essential for modern living. Access to and affordability of mineral raw materials are crucial for the sound and sustainable functioning of the world economy and modern societies. Mine operations, when properly managed, also have an enormous potential to create, contribute to and support sustainable development of communities as they can create opportunities for growth and development through: enhanced revenue derived taxes and royalties; job creation; knowledge, skills and technology transfers; provision of infrastructure and social services (including health, water supply, and education); Mining operations can also foster clusters of lateral, up and downstream linkages; and SME development to provide goods and services for the mining industry.

At the same time it is of vital importance to find new solutions to do more with less, to increase the wealth and welfare of people and put less pressure on eco-systems. The access to specific rare or energy consuming raw materials will be more and more limited in the future. Therefore we have to use raw materials with care by minimising the waste generated, increasing recycling and reuse of resources and by designing products using less resources and with an increased life time.

In the 21st century, mining mineral extractive industries can and will continue to be a fundamental sector for sustainable development and poverty eradication. Therefore, an integrated and holistic approach is necessary in the mining sector to address the above mentioned challenges.

EU – priorities, desired outcomes

- Having regard to the objectives of Agenda 21, the targets and timetables of the Johannesburg Plan of Implementation; EU's Raw Materials Initiative (RMI), the European Union's Strategy for jobs and smart, sustainable and inclusive growth (also known as Europe 2020 Strategy) including the overall objective of sustainable use of natural resources; the current ongoing work on raw materials, competitiveness, development issues, resource-efficiency; the Chair Summary Parts I & II (advanced unedited text) of CSD-18 and the Report of the Secretary-General for CSD-19 - Policy options and actions for expediting progress in Implementation: Mining;
- Taking into account that many delegations stated at the review session that CSD19 policy decisions should include a number of actions to promote sustainable development and management of mining activities which would benefit from international cooperation;
- Noting that such measures should be aimed at: strengthening governance, transparency, and public accountability; building technical and managerial capacities; developing new mining technology; promoting investment and technology transfer; ensuring rehabilitation and benefit sharing.

The EU would like to share the following priorities with CSD 19 delegates, which are – in our view - required for good environmental, social and economic governance of the mining sector and the generation of equitable sharing of benefits, contributing to sustainable development when progressively implemented.

<p style="text-align: center;">First EU priority on Mining <i>Development of Good Governance in the Mining Sector</i></p>

1.1. Legal, Policy and Institutional Environment

Governments require a broad set of laws, policies, regulations and guidelines to manage social and environmental risks and impacts, to maximize social and economic benefits from mining activities and to enhance development opportunities related to mining investment. Institutional capacity is a prerequisite for the responsible management of natural resources and good governance in the mining sector.

Taking that into account, the EU wishes that the UN, working together with Governments, companies and relevant stakeholders that seek to promote economic, environmental and social development through investment in the extractive sector, develops and produces **guidelines and best practices** covering:

- Modern legal and policy environments [national mineral policies, mining and waste codes, contract law (including arbitration), financial codes and taxation regimes, policies that favour/support local entrepreneurship, etc].
- Mechanisms to promote administrative capacity building in order to support the development of weak national institutions with poor legal, technical and financial abilities.
- Mechanisms to foster domestic accountability.
- Mechanisms to promote the creation of national appropriate knowledge bases on mineral resources (geological surveys, universities, etc.) for strategic thinking and policy innovations.

and **promotes improved governance through strong recommendations to Governments** to:

- Encourage extractive sector companies and civil society to consider participation in the Extractive Industries Transparency Initiative (EITI), certification initiatives and other relevant self-regulation that can contribute to sustainable development and poverty eradication.
- Adhere to or ratify relevant international treaties and conventions, including international instruments specific to mining (ILO Convention n.º 176 on Safety and Health in Mines to enhance the health & safety performance of mining in general).

1.2. Producing Countries Benefit Maximization

The EU wishes that the UN, working together with Governments and companies, develops and produces guidelines and best practices covering:

1.2.1 Financial Benefit Maximization

It is essential that the mining industry contributes materially through rents, royalties and other transparent forms of payments avoiding transfer pricing and tax evasion, for an equitable revenue distribution between Companies and States. Promotion of domestic resource mobilisation is one of the objectives of the Seoul G20 agenda. In this perspective, strengthening mining tax regimes and fiscal policies to provide a sustainable revenue base to inclusive growth is essential

In fact, mining activities only contribute to sustainable development if they generate appropriate and equitable revenues for producing countries. Sound and balanced fiscal regimes as well as good financial governance are necessary in order to guarantee long term benefits. Furthermore, the mining industry should ensure that it creates opportunities for local participation and contributes to local revenue distribution.

Taking this into account, the UN, working together with Governments, companies and the civil society should develop and produce guidelines and best practices covering mechanisms to promote effective deployment of resource rents and support financial administration capacity building.

1.2.2. Economic Benefit Maximization

A modern, efficient and high efficacy mine, able to maximize the economic benefits of the exploitation of an ore body for all the stakeholders, needs to adopt the most adequate knowledge and technology, use the best practices and be managed with modern techniques. It is important to promote industry exchange of experiences; encourage the adoption of new management techniques; promote broad-based capacities especially in science and technology; and adopt new and emerging technologies, to better harness natural resource wealth to support growth and promote sustainable development. It is also important to develop infrastructure, local skills, knowledge and information as they are vital to improve sustainable extractive industries production and improve the livelihoods of local communities affected by mining operations .

1.2.3. Social Benefit Maximization

Mining companies are increasingly adopting holistic corporate social responsibility charters and development approaches that have a better potential to significantly uplift and empower local communities.

- Policy decisions should :
 - ✓ Bear in mind the need to respect and promote human rights' protection.
 - ✓ Support Corporate Social Responsibility (CSR) undertakings.
 - ✓ Include benefit distribution policies and guiding tools to improve revenue distribution, balancing and managing conflicting local and national-level interests, ensuring that a reasonable share of mining revenues goes to those communities close to and disproportionately affected by mining operations.
 - ✓ Contain regulatory frameworks to facilitate and support equitable participation by local businesses, communities, women and other stakeholders in mining activities.

Second EU Priority on Mining <i>Environment and Natural Resources Management</i>

More efforts are to be done to increase resource efficiency and reduce waste, notably by increasing recycling/reuse and improving the design of the products.

It is fundamental to:

2.1. On the eco-systems dimension & biodiversity

- Build the eco-systems dimension, integrating the promotion of biodiversity conservation goals in national mineral extraction plans. A guidance document on mining and preservation of biodiversity has been published by the EU.

2.2. On mine wastes, surface and ground water protection and energy consumption minimization

- ✓ Minimise the waste generated, through modified patterns of production and consumption contributing to waste prevention, reuse, recycling and converting waste into products .
- ✓ Increase recycling and reuse of water and other natural resources, protect surface and ground water from contamination and minimize the energy used to produce raw materials and derived products.
- ✓ Develop a broad sustainable framework to be applied worldwide to the initial design of storage facilities, tailings and waste management, closure, post-closure and remediation of abandoned mine sites in such a way that they present negligible public health, safety and environmental risks, and low social and environmental impacts during operation and post-closure. The EU, has drafted

such a framework with the participation of the stakeholders including the mining sector. It serves as a reference for issuing permits in the EU and covers all extractive industries.

Third EU Priority on Mining
Post Mining Transition

- There is a need for Governments to: i) provide legal and regulatory frameworks for closure; ii) have the institutional capacity to monitor and enforce their provisions; iii) require that stakeholders be consulted in the development of closure objectives and plans; iv) require that a comprehensive closure report and adequate financial assurance are provided before the requisite development and mining permits for a new mine are approved.
- There is a need for development of effective and efficient approaches to the funding of closure.
- It is necessary to focus on the legacies of the past in the form of abandoned and orphan sites of minerals related activity, including their waste facilities.

Fourth EU Priority on Mining
Informal and Formal Artisanal and Small-scale Mining (ASM)

It is important that informal artisanal and small-scale mining operates according to basic environmental and social standards. Ultimately, policies and development programs are needed to allow for the professionalization and formalization of these activities. Health and educational needs of children in ASM environments deserve special attention.

It is equally important to promote and support the formal ASM sector. Policies and regulations need to be drafted in order to ensure that formal artisanal and small-scale miners are regarded and treated as official members of the national mining industry.

This would include support for, inter alia, the Association for Responsible Mining and the international initiative Communities and small-scale Mining (CASM). This applies equally to the G8 pilot project "Certified Trading Chains (CTC) in Mineral Production as well as the OECD implementation phase of the due diligence guidance for responsible supply chains of minerals from conflict-affected and high-risk areas.

Fifth EU Priority on Mining
Markets Transparency in the International Mineral Trade

Improve knowledge of the fundamental changes in the global markets threatening the principles of competitiveness. Promote transparency to avoid measures that distort international trade in raw materials. Ensure access to raw materials from international markets under best possible conditions for all competitors, through enhanced dialogue between producers and consumers. The specific interests of Least Developed Countries should be taken into account in this dialogue.