

UN Working Group on Transforming the Extractive Industries for Sustainable Development

Regional Policy Dialogue on Just Transitions for Critical Energy Transition Minerals (CETM) in the Arab Region

Regulatory Environment for Just Transitions of CETM

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IGF

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**INTERGOVERNMENTAL FORUM
on Mining, Minerals, Metals and
Sustainable Development**



**A VOLUNTARY INITIATIVE
2002 World Summit on
Sustainable Development
– UN Type II Partnership 2005 –**

**85 MEMBER
STATES**

**DEDICATED TO IMPROVING MINING
GOVERNANCE TO HELP ACHIEVE THE
UN SUSTAINABLE DEVELOPMENT GOALS**



Engaging with Member States to strengthen mining governance and align mining with SDGs



- Member-driven organization, whose overarching objective is to improve mining governance and ensure mining contributes to national development and aligns with the SDGs
- Engages with 85-developed and -developing country members to strengthen mining laws, policies, regulations
- Works across the full mining life cycle – from exploration to mine closure, involving artisanal mining to large-scale operations, addressing key aspects of mining – from community engagement to social and environmental impacts and downstream beneficiation



Strengthening mining governance for energy transition minerals across Western Asia and the Arab Region

A unique set of opportunities across the CETM value chains from extraction to processing, as well as economic and industrial diversification (manufacturing)

IGF – ESCWA Member Countries across Western Asia and the Arab Region

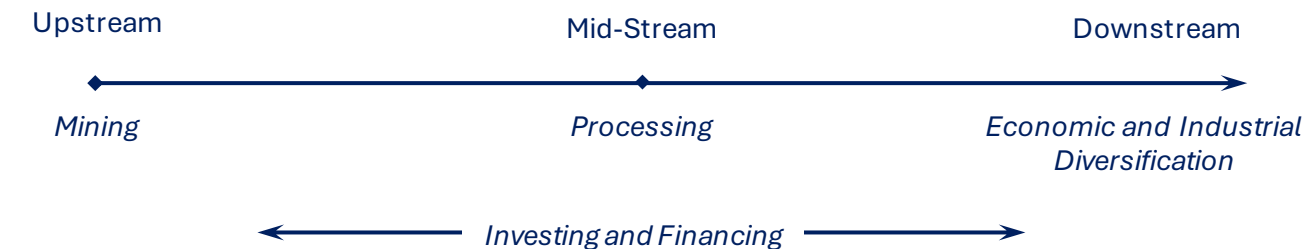
1. Egypt *



2. Mauritania *



3. Morocco



Morocco Country Example

- Mineral Resources: Cobalt, Manganese, Copper, Iron Ore, Nickel
- Mining Regulatory Framework: 2015 Reform
- Energy Transition and Renewable Energy: Solar
- Manufacturing: Automotive

4. Saudi Arabia



5. Somalia *



6. Sudan *



*Copper, Iron Ore, Cobalt



Strengthening the Regulatory Environment for Just Transitions of Energy Transition Minerals

A more coherent approach to mining governance and regulatory framework

Module 5:
Creating a strong regulatory environment for just transitions



Progressive and transparent fiscal and regulatory measures that can strengthen the governance and management of mineral revenue; diversify economies; re-distribute financial flows for investment in social and economic development needs

Increase support from MDBs

Strengthen safeguards against illicit financial flows, corruption, governance deficits, and revenue mismanagement.

Led by RECs, World Bank, IGF

RECs: ESCAP, ESCWA, ECLAC

*Financing for Development;
Governance and Revenue
Management*

Context

- Surging demand for energy transition minerals (ETMs)
- Supply risk and vulnerability
- Geopolitical complexity
- New geographies, new landscapes, and new technologies

Challenges

- Abundance of mining frameworks and standards – international, voluntary, public and private-industry
- Address and integrate social, human rights, environmental, economics, and institutional aspects

Needs and Opportunities

- Strengthen – coherent and coordinated – mining governance framework and regulatory environment
- Leverage existing frameworks and address gaps – legal, environmental, socio-economic, finance and investment dimensions



Comprehensive, consensus-driven frameworks that reflect the needs and priorities of national governments

International mining governance frameworks – by government, for government



- **Country-level mining governance framework** that addresses six key mining policy areas across the full mining life-cycle, endorsed by all 85 Member States and revised in 2023 to reflect cross-cutting issues (e.g., climate change and gender equality)
- Represents **international standards and practices required for good environmental, social, and economic governance** of the mining sector, and the generation and **equitable sharing of mining benefits** in a manner that will contribute to sustainable development
- Recognized at the 19th session of the UN Commission on Sustainable Development as **a compendium of good practices** for governments to manage the full range of issues inherent in the mining sector
- A systemic approach to applying sustainable development principles to all mining operations, designed as a **policy guidance instrument** for governments to **ensure mining sectors contribute to national development objectives and align with the SDGs**

World Bank-Supported Investment and Financing for Development

Mining Sector Diagnostic					
Mining Sector Management					
Sector Policy		Sector Dialogue		Roles and Responsibilities	
Intra-Governmental Coordination					
II. Extractive Industries Value Chain					
	Contracts, Licenses and Exploration	Mining Operations	Mining Taxation	Revenue Management and Distribution	Local Impact
Legislation, Policy, and Regulation	Rules for License Allocation, Oversight, and Transfer	Rules on Land Issues, Environmental and Social Impact Management, ASM, OHS, and Mine Closure	Tax Policy and Tax Administration Rules	Revenue Sharing and Fiscal Stabilization--Rules	Local Content, Employment, Community Engagement, CSR and Social Issues
Institutional Capacity and Effectiveness	Collection/Maintenance of Geological Information and Effective License Allocation and Management	Practice regarding Land Issues, Environmental and Social Impact, Support for ASM, OHS, and Mine Closure	Mining Tax Administration and Auditing	Revenue Sharing, Fiscal Stabilization and Resource Revenue Transparency--Practice	Local Supplier Development, Employment, Community Engagement, CSR and Social Issues--Practice

Scoring Key: Very low (1.00 - 1.75) | Low (> 1.75 - 2.50) | High (> 2.50 - 3.25) | Very High (> 3.25 - 4.00)

- **Country-level diagnostic tool** to comprehensively assess how the mining sector is managed
- Designed to guide governments and facilitate discussions among various stakeholders, with the goal of **enhancing the mining sector operations and its contribution to economic progress**.
- Alignment of written rules (de jure performance) and practical implementation (de facto performance) for **country-specific solutions for strengthening mining governance**
- Applied in combination with Climate-Smart Mining to address challenges and leverage opportunities with respect to critical minerals and the energy transition

IGF MINING POLICY FRAMEWORK

Reflecting governance standards to ensure mining sector contributes to sustainable development



17 MPFs Completed



World Bank Mining Sector Diagnostic (MSD) to help improve the management of the mining sector

A comprehensive assessment tool to identify relative strengths and weaknesses

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Mining Sector Management					
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Proposed policy recommendations for a more coherent and coordinated approach to mining governance

Leveraging existing frameworks and addressing current gaps

- Develop a clearly defined and more coherent approach and description of ***what is meant by good mining governance and responsible mining***, which could be addressed by providing a set of key characteristics of what would constitute as “good” and “responsible.”
- Identify and leverage national regulatory frameworks, domestic regulations, as well as country and regional best practices.
- Clarify roles and responsibilities for all mining sector stakeholders, ensuring ongoing dialogues between governments, investors, and civil society to protect vulnerable populations.
- Better alignment the mining and processing of ETMs with the SDGs to more comprehensively integrate human rights principles and intergenerational perspective.
- Develop a more innovative and supportive investment and financing instruments to provide funding and capacity building for governments to design enabling regulatory and policy frameworks for responsible mining practices, including what it means by ***responsible and sustainable*** – set of criteria.



Envisioning a mining governance framework and regulatory environment for the required scale and time

Questions for discussion

1. What are some of the key mining governance and regulatory challenges facing the Arab Region?
2. What emerging issues or gaps exist that need to be appended to existing governance frameworks or should be addressed in their own right?
3. What could be an effective mix of domestic regulations, regional directives or principles, and voluntary standards on critical energy transition minerals?”
4. How to enhance the interoperability, convergence, and shared learning between existing standards? Are there any good national and/or regional examples?
5. What incentives can be introduced at multiple scales to unlock the investment potential and attractiveness of countries hosting CETM resources, while avoiding a race to the bottom that sacrifices standards and prevent capturing fair share of economic rent?
6. How to increase participation rate and the implementation capacity of voluntary initiatives?

THANK YOU

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