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Statement

by

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at the

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Excellencies, distinguished delegates, dear friends,

It is a pleasure to be here today at this dialogue on the governance of mineral resources.

UNECE has worked on sustainable resource management for over 25 years, based largely on our UN Framework Classification for Resources.

UNFC, as it is called, embraces all energy and mineral resources, including renewables, waste, and other resources such as underground storage and aquifers. With the advent of the 2030 Agenda for Sustainable Development, our wide community of experts recognised that this classification system was an ideal basis for a sustainable UN resource management system, UNRMS for short. Work on that is progressing. UNRMS is the only resource management system that promotes an integrated approach to resource development and explicitly embraces social and environmental dimensions.

Historically, natural resources have been exploited in an isolated manner, with little connection to or regard for other resources or value chains. Linear commodity management has been the basis of this approach. The extraction and refinement processes have a large environmental footprint. They result in waste that is much greater volume-wise than the useful resources that are produced.

The linear and exponential nature of the current model for resource development is disastrous for the planet. **We seek to introduce circularity in resource production and use.** But the challenges are huge. We are highlighting

integrated resource management as the only way to achieve sustainability.

We are currently establishing a **network of International Centres of Excellence on Sustainable Resource Management**. These will build national and regional capacities to apply UNFC and UNRMS, enhance investment in the resource sector and accelerate achievement of the 2030 Agenda. They will contribute to the development and deployment of UNRMS, including via consultation with financial institutions, stock exchanges and regulatory bodies, and training.

The **UN's overarching mechanisms can steer investments in line with the 2030 Agenda**. A common mechanism and vocabulary that speak to industry, government officials, financiers and other market players around the world are imperative, if we are to secure the resources needed for sustainable development. Once the stakeholder communities align with UNRMS, regulatory authorities such as the SEC or the IASB will embrace the construct. At that point we will see the emergence of the policy and regulatory framework conditions that can deliver needed investment.

Let me also give you an example from our work on integration and working across cross-sectoral dimensions.

"Social issues" are currently the most significant challenges of the mining industry. Every year, the latter faces substantial financial write-downs due to communities opposing mining in their neighbourhood. For many, the words "extraction" and "mining" brings forth negative images.

Why is there such a negative connotation? It is both because of the large amounts of waste generated by mining and because of past major accidents. Let's recall the tailings dam break in Brumadinho, Brazil, which cost hundreds of lives in early 2019. Such accidents are preventable if safety comes first! UNECE works on this via the **Industrial Accidents Convention**. Long-term value creation is contingent on safe operations and resilience to disaster risks. The Convention works with governments, operators, and other stakeholders to improve the safe storage and management of mine tailings.

As you can see, the UNRMS and the UNECE Industrial Accidents Convention together address multiple sustainability considerations related to mining, in a strong example of an integrated approach.

For extractive industries to respond to sustainable development needs, they must link up to the social, economic and environmental dimensions of development. **A holistic and integrated approach would deliver resources across multiple value chains, notably contributing to increased food production, supporting energy security and water resource conservation.** This is then neither “extraction”, nor it is “mining”. It is securing the resources needed for sustainable development, in ways that are consistent with community concerns and "inter-generational justice". Inter-generational justice requires long-term thinking. The race for quick results may be desirable in financial markets, but it can leave enduring negative legacies. Environmental pollution, global warming and inequalities are the result of short-term, purely commercial thinking. Businesses generally consider themselves answerable

only to shareholders, but there is a growing recognition that they exist to serve customers, employees, suppliers, and communities. It is through that service perspective that they can create long-term value for the company and society.

We need to make a step-change in raw materials production to achieve a "zero-waste, zero-harm" outcome. **Managing raw materials as part of a circular economy, in which products are reused and “wastes” are a resource for other services, is the right approach.** This would make progress towards a sustainable development license to operate, or SDLO.

Implementing a genuinely impactful SDLO needs **active public-private dialogue.** Governments and the private sector should start to think in unison and act together. There has been a wall of suspicion that separated them. This wall should be demolished. The keys to success are partnership, policy, and perseverance. Concerted public-private collaboration is needed to foster a sustainable resource management paradigm. Having harmonized policies and regulations lie at the core of such a partnership.

We at UNECE are keen to collaborate with the World Resources Forum, UNEP’s International Resource Panel, and the full spectrum of stakeholders in the resource space to advance the UN resource management system and an effective mechanism for resource governance.

Thank you.
