

# Implementing UNEA Resolution 4/19 on Mineral Resource Governance

Regional Summary  
**Europe and the  
Caucasus**

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# Mineral Resource Governance Recommendations and Suggested Actions Key



Intensified mining for recovery from the coronavirus disease (COVID-19)



Artisanal and small-scale mining (ASM)



Platforms for cooperation and capacity-building



Mine waste recycling, re-use and circularity



Tailings management



National-level governance



Harmonization and alignment of governance initiatives

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# Europe and the Caucasus Consultation Report

This report describes the outcomes of the Europe and the Caucasus Region consultations conducted on the implementation of the United Nations Environment Assembly (UNEA) Resolution 4/19 on Mineral Resource Governance. Five consultative meetings were held, during which representatives from Member States, including through UNEP national focal points, as well as major groups and other stakeholders were convened to identify best practices and knowledge gaps, assess governance options and consider common elements of interest for next steps on the mineral resource governance agenda. Participants provided their feedback to three key consultation questions:

1. What are the most pressing mineral resource governance challenges in your region?
2. What are some examples of emerging, good, or best practices in your region?
3. What themes and issues should be the focus of future action, including by international or UN bodies, on Mineral Resource Governance?

An additional 18 written submissions, from Europe and the Caucasus Region, including 10 from Europe and the Caucasus Region governments were received in response to the consultation questions. Participants were invited to the following consultations:

- Briefing – Europe and West Asia, 23 July 2020 (English/Russian/Arabic)
- Sub-regional Consultation – Western and Central Europe and South Eastern Europe, 25 August 2020 (English)
- Sub-regional Consultation – Eastern Europe, Caucasus, Central Asia, Russian Federation, 27 August 2020 (English/Russian)
- Regional Consultation – Europe, 10 September 2020 (English/Russian)
- Global Forums on the UNEA-4 Resolution on Mineral Resource Governance – 22 & 24 September 2020 (All UN languages)

# Most pressing challenges in knowledge and practice

The first key question for the consultations was, “What are the most pressing mineral resource governance challenges in your region?”. This section provides a summary of responses from the region, and incorporates input from both the online consultations and written submissions.



## Governance initiatives – strengthening a holistic view, improving implementation and oversight

Participants described a ‘forest of initiatives’ for miners, governments and communities to navigate. With so many initiatives, it can be difficult for companies to choose which to prioritise, or may allow for companies to “cherry pick” less ambitious initiatives. Further, there are problems with inconsistent implementation and outcomes, particularly where compliance is voluntary.

The breadth and overlap of initiatives was thought to be a challenge due to a lack of harmonization – prioritising some initiatives may lead to trade-offs in different domains. This can impact the collective effectiveness of initiatives, and makes it difficult to assess the overall performance of the industry.

Several suggestions about how this could be managed were raised, including: improving (independent) oversight, linking to human rights, developing compulsory standards, creating/improving grievance handling and dispute resolution mechanisms, monitoring and evaluation of the impact of standards, systematic assessment of standards/initiatives against the UN Guiding Principles on Business and Human Rights, UN Sustainable Development Goals, and Internationally Agreed Environmental Goals and so on.

Many parties stated their interest in following the roll-out of the Global Industry Standard on Tailings Management – within ICMM companies, and more broadly. There was widespread support for the new standard and a view that implementation should be supported by an independent entity.

UNEA/UNEP were seen to have an important role in helping to mainstream and promote standards, and encourage integration across the broad risk spectrum.



## Supply chain certification and due diligence

In Europe, much of the environmental and social harm occurs outside of the region, in the supply chain. With many mining headquarters based in Europe (notably Switzerland), there is an interest in how certification processes can improve environmental and social practices, reduce supply chain disruption, and achieve corporate development commitments. The role of commodities trading hubs as a stakeholder in this process should also be considered.

Transparency in the supply chain was thought to be critical. Strong disclosure requirements puts pressure on purchasing companies to better map their supply chains to identify and mitigate risks, including by conveying expectations through the supply chain.

The [OECD Due Diligence Guidance for Responsible Supply Chains](#) was identified by participants as an increasingly common point of reference for market and investor-level expectations and there was support for considering its utility beyond conflict settings, especially through introducing environmental performance expectations.



## Regulatory capture

Several participants noted the need for further research and policy actions on ‘circular economy’ initiatives. While there have been discussions on these issues for many years, we need to build on previous work calling for better systemic engagement along the minerals supply and consumption chains, incorporating investors, financiers, traders plus the government and community stakeholders.

Increasing pressure from investors on Environment, Social and Governance (ESG) issues has pushed the minerals sector to move in this direction, and will continue, requiring a reorientation from a siloed minerals sector into a more service oriented, integrated model of resource management.

Circular economy approaches centre quality of life and account for the full extent of natural capital, rather than focus on production of raw materials as a development driver by itself. Several participants noted that it was important for international and national bodies to not only look at improving mining, but also to look at reducing mining. For example, via strategic environmental assessment, increased recycling, reduction of waste generation, use of replacement materials, and reducing consumption. Participants noted that these factors are equally important for the metals sector as for industrial minerals and construction materials.



### **Governance capacity building**

The capacity of national and sub-national governance was raised in both sub-regional consultations. A wide variety of areas for improvement were noted including: alignment with the SDGs, human rights and Indigenous Peoples' rights, tailings management, abandoned mines, and environmental, social and geological knowledge bases. Countries are at different stages in terms of their policy development, so knowledge sharing was believed by participants to be important.

Participants noted that compliance promotion and enforcement remain issues for many mining countries. In some cases, the regulators need to work with raising awareness of the importance and processes for compliance. Several participants suggested a lack of access to, or confidence in, avenues for raising grievances or remedying non-compliance with ESG issues.

Some examples were given of emerging processes of cross-government coordination and/or dialogue between the multiple agencies relevant to mining. Collaboration will be required to deal with many of the legacy issues related to orphaned and abandoned mines, management of existing operations and future projects.



### **Artisanal and small-scale mining (ASM)**

Participants reported seeing improvements in recognition of ASM's importance by industry and governments as an economic activity and major source of employment. This is evident in the development of ASM management systems and standards (e.g. that integrated OECD Due Diligence in Supply Chains, UN GPs). However further work is needed to encourage responsible engagement, rather than neglect of the ASM sector. Formalisation of ASM was seen as beneficial, and an important point of access in terms of addressing environmental impacts of mining.



### **Risk management**

A further key challenge raised by participants is that governments and industry need to better comply with the mitigation hierarchy in all phases – starting with environment and social assessment before mining operations, throughout operations, and also at the end of life phase of a tailings facility. Disaster risk management and resilience need to be a focus going forward.

Participants noted that the COVID-19 recovery period is going to be particularly challenging as there will be low budgets and temptations to lower environmental and other planning standards. It's important for UNEA to reinforce that the minerals sector can contribute to recovery, but only if appropriate mineral resource governance is in place.

Particular issues mentioned in this context included: tailings storage facilities, waste water, public disclosure, reclamation projects, assets in care and maintenance, projects impacting Indigenous Peoples and communities.



## Good practices

The second major question guiding the consultations was, “What are some examples of emerging, good, or best practices in your region?”. This section provides a summary of responses that incorporates input from both the online consultations and written submissions. It should be noted that this report does not endorse the accuracy, impact or efficacy of the listed examples, instead it faithfully reports the information contributed by participants during the consultations.



[Sustainable Artisanal Mining Project](#) in Mongolia, funded by the Swiss Agency for Development and Cooperation



[UN Guiding Principles on Business and Human Rights](#)



Turkey is developing a strategy to understand their resource potential, and develop a knowledge based approval process including environmental and social data for ESIA's and strategic planning.



OECD Due Diligence Guidance for [Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas](#)



Kyrgyzstan is creating an inter-agency group to coordinate mine governance, and plans to develop new policies/legislation.



[Code of Risk mitigation for ASM engaging in Formal Trade \(CRAFT\)](#)



Project level and supply chain specific standards in development, e.g. [Global Battery Alliance](#).

# Future action



**Develop any future work by building on, strength-ening and harmonizing existing initiatives (e.g. UNFC, UNRMS, OECD guidelines, UNGPs)**

Participants described a ‘forest of initiatives’ for miners, governments and communities to navigate. Several suggestions about how this could be managed were raised, including: improving (independent) oversight, linking to Human rights, developing compulsory standards, creating/improving grievance handling and dispute resolution mechanisms, M&E of standards’ impact, systematic assessment of standards/initiatives against UNGPs/SDGs/IAEGs and so on.



**Improve tailings waste management technology and planning, including disaster risk reduction and resilience**

Governments and industry need to better comply with mitigation hierarchy in all phases - starting with environment and social assessment before mining operations, throughout operations, and also at the end of life phase of a tailings facility. Disaster risk management and resilience need to be a focus going forward.



**Continue dialogue on improving reporting and transparency**

The dialogue processes underpinning reporting and transparency initiatives should continue to be supported. Options for incorporating or expanding new areas of governance beyond finance should be explored with the aim of improving holistic governance of the sector.



**Research about development mineral /construction material substitutes**

Several participants noted the need for further research and policy actions on ‘circular economy’ initiatives. While there have been discussions on these issues for many years, we need to build on previous work calling for better systemic engagement along the minerals supply and

consumption chains, incorporating investors, financiers, traders plus the government and community stakeholders.



**Improve multi-stakeholder knowledge sharing to improve the holistic effectiveness of governance**

National and sub-national governance capacity was raised in both sub-regional consultations. A wide variety of areas for improvement were noted including: alignment with the SDGs, Human Rights and Indigenous Peoples’ rights, tailings management, abandoned mines, and environmental, social and geological knowledge bases. Countries are at different stages in terms of their policy development, so knowledge sharing is important. Collaboration will be required to deal with many of the legacy issues related to orphaned and abandoned mines, management of existing operations and future projects.



**Improve Due Diligence processes (e.g. could there be a process similar to the Ruggie Framework for environmental issues)? Role of the OECD Due Diligence framework?**

Transparency in the supply chain is critical. Strong disclosure requirements puts pressure on purchasing companies to better map their supply chains to identify and mitigate risks, including by conveying expectations through the supply chain. The OECD Due Diligence in Supply Chain is an increasingly common point of reference for market and investor-level expectations and there was support for considering its utility beyond conflict settings. Further work is needed to encourage responsible engagement with ASM, rather than ignoring the industry. Formalisation of ASM is seen as beneficial, and an important point of access in terms of addressing environmental impacts of mining.



**Further cross-industry partnerships (e.g. Global Battery Alliance)**

Opportunities to connect with industries at all stages of the supply chain are an opportunity to raise awareness of minerals governance issues, and provide further momentum supporting responsible resource use and management.



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