

# Mining and Sustainability – Working Together

United Nations Commission on Sustainable Development  
11 February 2010



# ICMM member companies

## Australia

BHP Billiton

Lihir Gold

MMG

## South Africa

African Rainbow Minerals

AngloGold Ashanti

Gold Fields

## Brazil

Vale

## Switzerland

Xstrata

## Canada

Barrick

Goldcorp

Teck

## United Kingdom

Anglo American

Lonmin

Rio Tinto

## Japan

Mitsubishi Materials

Nippon Mining & Metals

Sumitomo Metal Mining

## United States

Freeport-McMoRan Copper & Gold

Newmont

# ICMM member associations

## Americas

Cámara Argentina de Empresarios Mineros  
Cámara Asomineros Andi - Colombia  
Cámara Minera de México  
Cámara Minera de Venezuela  
Consejo Minero de Chile A.G.  
Instituto Brasileiro de Mineração - Brazil  
Mining Association of Canada  
National Mining Association - USA  
Prospectors and Developers Association of Canada  
Sociedad Nacional de Minería - Chile  
Sociedad Nacional de Minería, Petróleo y Energía – Peru

## Africa

Chamber of Mines of South Africa  
Mining Industry Associations of Southern Africa

## Europe

Eurometaux  
Euromines

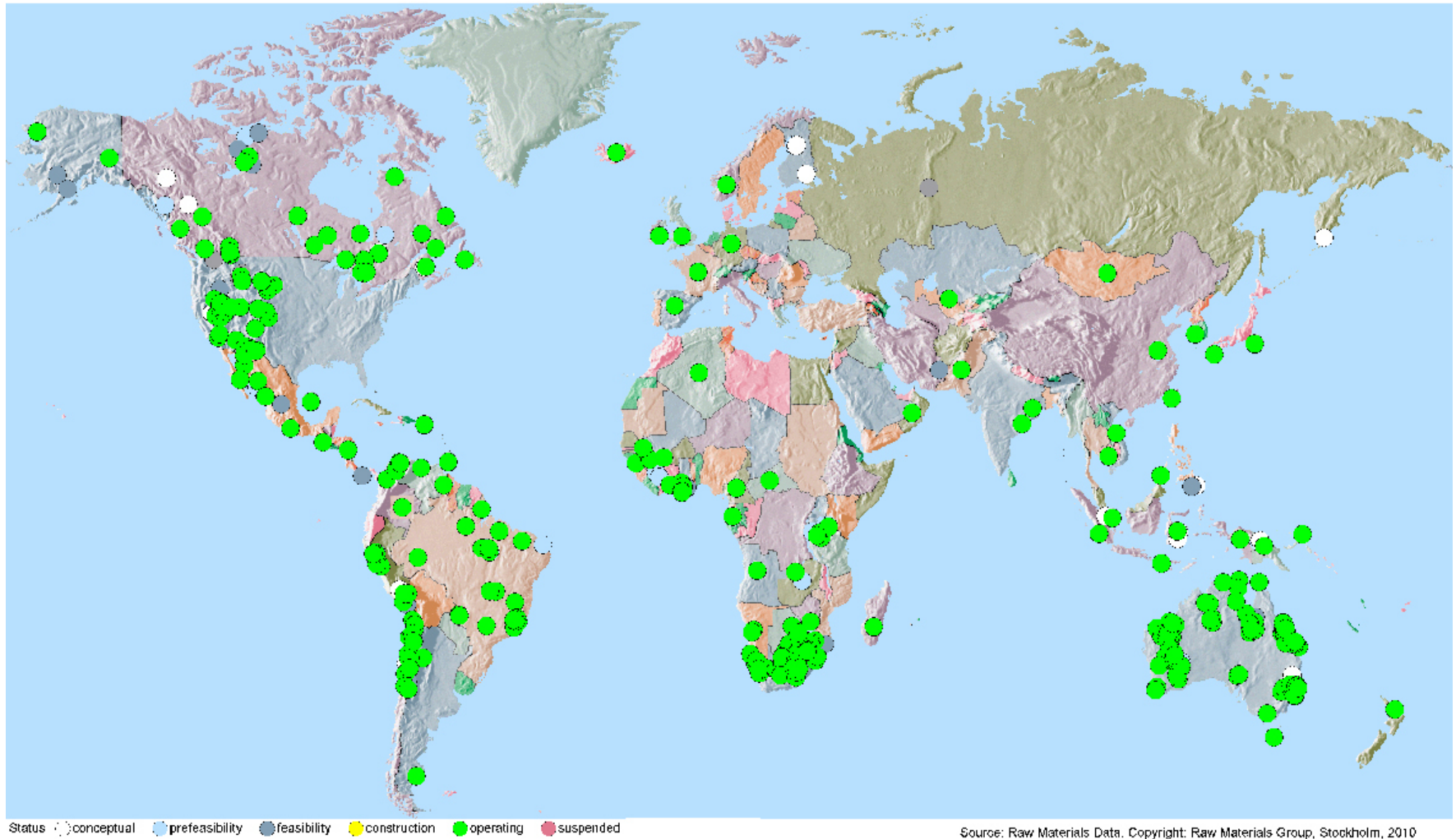
## Asia-Pacific

China International Mining Group  
Federation of Indian Mineral Industries  
Indonesian Mining Association  
Japan Mining Industry Association  
Minerals Council of Australia

## Commodity Associations

Cobalt Development Institute  
International Aluminium Institute  
International Copper Association  
International Lead Association  
International Molybdenum Association  
International Wrought Copper Council  
International Zinc Association  
Nickel Institute  
World Coal Institute  
World Gold Council

# Location of member operations



Over 500 sites in 59 countries

# Interests important to mining

**INDUSTRY: MINING COMPANIES (JUNIOR TO MAJOR), INVESTORS, LABOUR, SERVICE PROVIDERS, ASSOCIATIONS**

**GOVERNMENT: LOCAL, REGIONAL, NATIONAL, INTERNATIONAL**

**INDIGENOUS PEOPLES AND THEIR ORGANIZATIONS, MINING AFFECTED COMMUNITIES**

**END USERS, ORIGINAL EQUIPMENT MANUFACTURERS, CONSUMERS**

**CIVIL SOCIETY ORGANIZATIONS**

**ACADEMIC, LEARNING, AND R & D SUPPORT**

# ICMM member commitments

## 10 Principles for Sustainable Development + 7 Position Statements

1. Implement ethical business practices and apply good corporate governance
2. Integrate SD in corporate decision-making
3. Uphold fundamental human rights
4. Manage risks based on sound science
- 5/6. Improve environment, health and safety performance continuously
7. Conserve biodiversity & conduct integrated land use planning
8. Apply materials and product stewardship
9. Contribute to community development
10. Publicly report, independently assure and engage openly and transparently

Mining and Protected Areas

Mining: Partnerships for Development

Climate Change

Mining and Indigenous Peoples

Mercury Risk Management

Transparency of Mineral Revenues

Mineral Resources and Economic Development

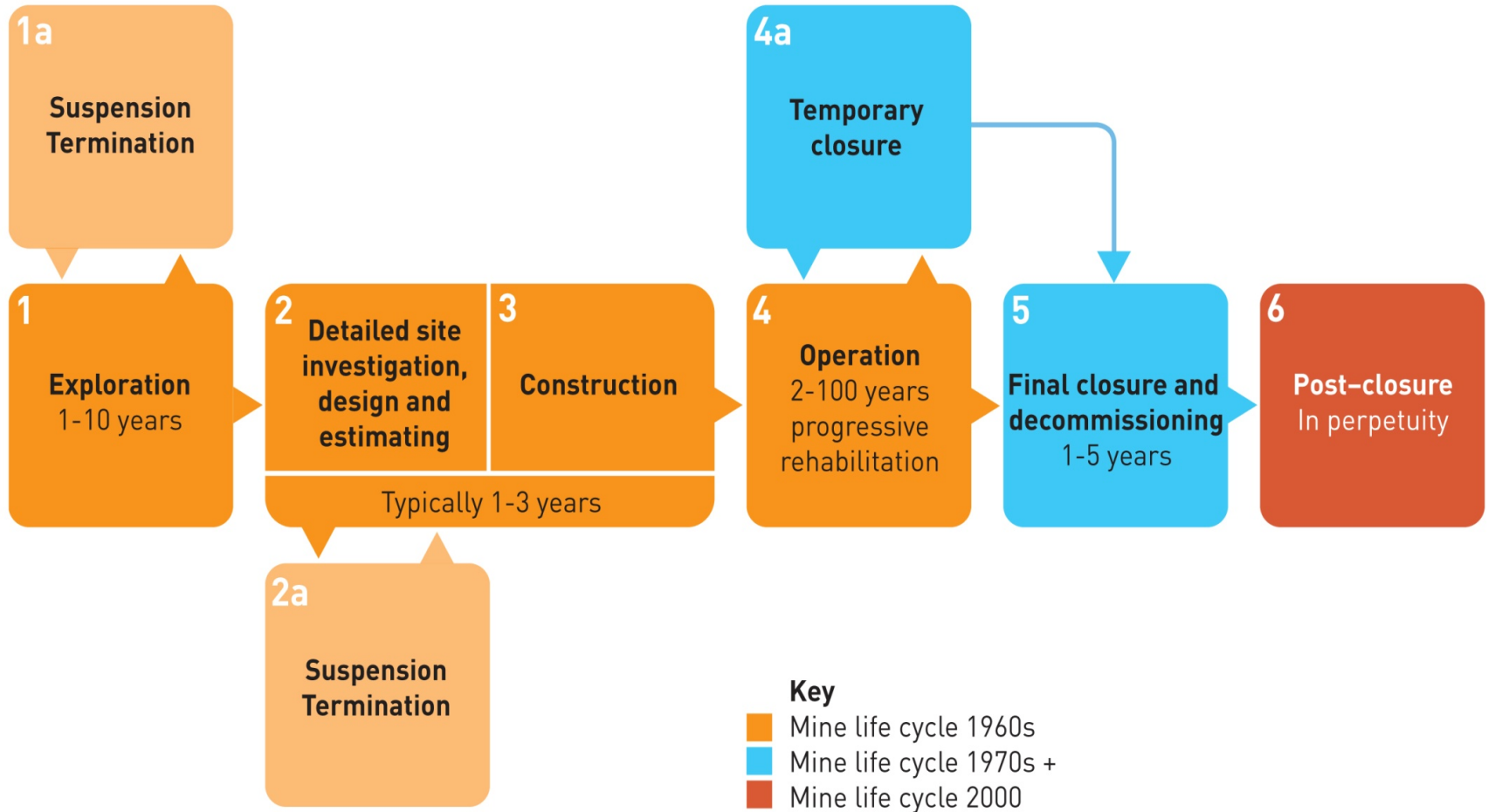
# What does SD leadership look like?

**Leadership** means walking the talk: a public statement of SD commitments supported by actions that deliver on the public promise of the CEO



**Leadership** means addressing both what is done (the substance) and how you do it (the process)

# Mine project life cycle







# Key Trends

---

1. Worldwide consumption of key mined commodities UP; demand in emerging economies UP
2. Increased role of developing regions in mineral production; growing role of mining in the developing countries' economies; conflict in weak governance zones
3. Growing formal recognition that no one party can do it alone
4. Increased dependence on metals to support a shift to a low-carbon economy

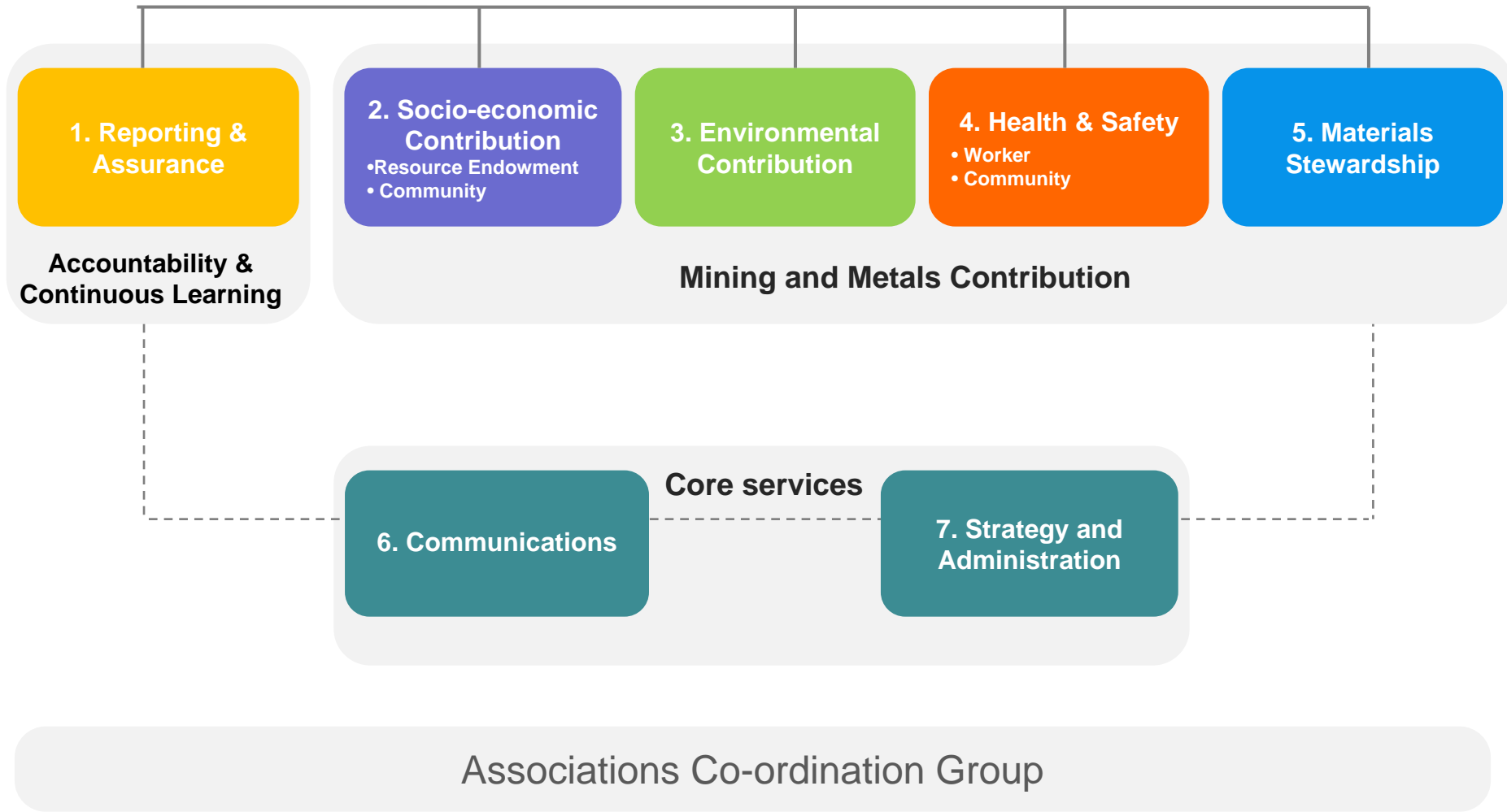
# The Challenge of Realizing the Resource Endowment

---

How do we create a set of arrangements governing mineral development that ensure:

1. Interests of “stakeholders” are considered and protected: communities; governments (local to national); companies (investors and employees); indigenous peoples?
2. a fair distribution in the benefits, costs, risks and responsibilities?
3. implications of the full life cycle are considered?
4. a capacity and process for adaptation in response to changing conditions?

# ICMM Programs



# ICMM Publications

ICMM  
International Council  
on Mining & Metals

Planning for  
Integrated  
Mine Closure:  
Toolkit

ICMM  
International Council  
on Mining & Metals

Good Practice  
Guidance on  
HIV/AIDS,  
Tuberculosis  
and Malaria

ICMM  
International Council  
on Mining & Metals

Mining in Tanzania –  
What future can we expect?

The Challenge of Mineral Wealth:  
using resource endowments to foster  
sustainable development

**GOODPRACTICE**  
The Newsletter of the International Council on Mining and Metals  
Vol 8 Issue 1 May 2008

ICMM  
International Council  
on Mining & Metals

Chemicals  
management  
Mercury  
stewardship  
Life cycle  
thinking

**ACTION FOR A  
SAFER WORLD**

A SUSTAINED COMMITMENT  
TO IMPROVED INDUSTRY  
PERFORMANCE

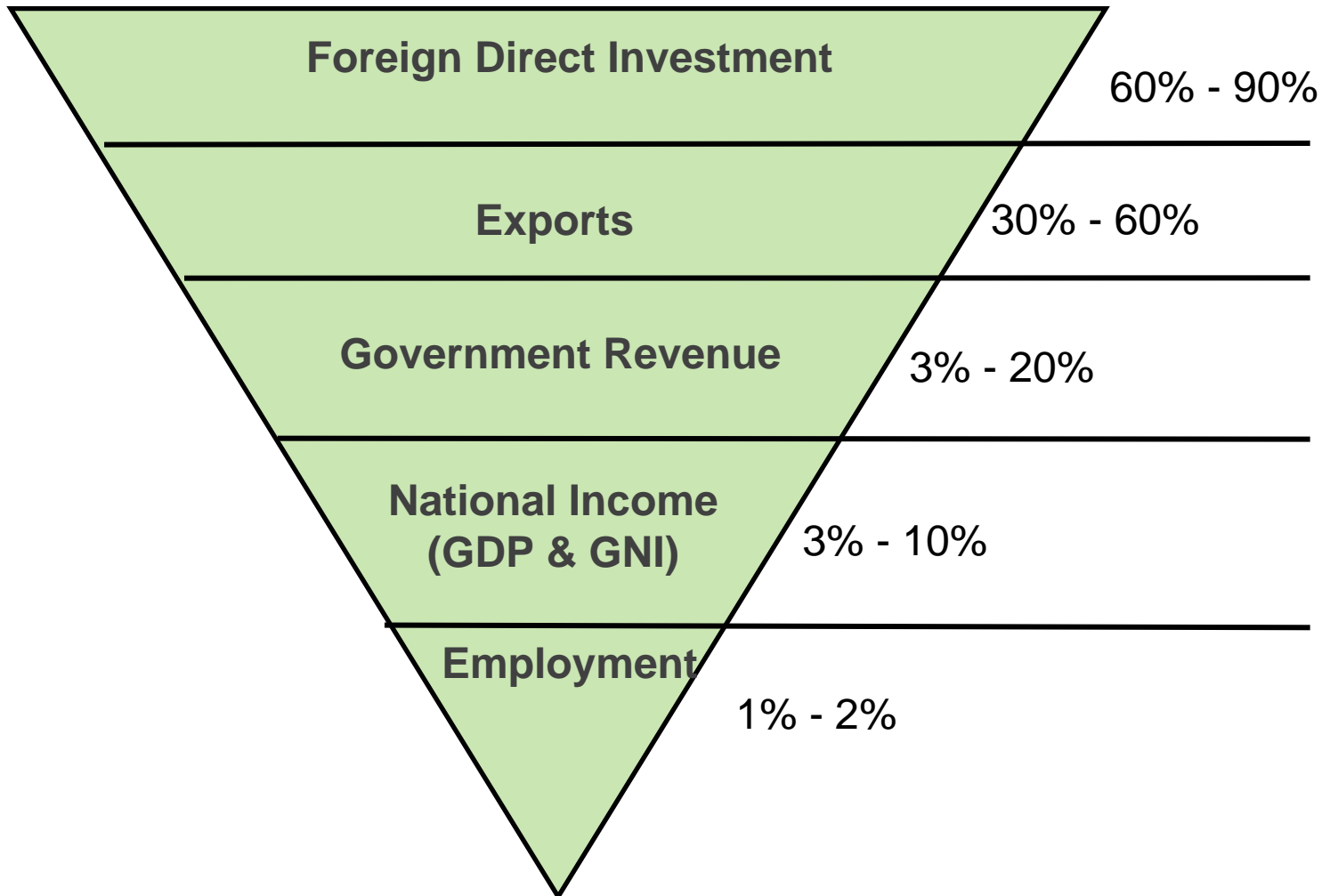
ICMM  
International Council  
on Mining & Metals

# Tanzania – The Sharing of Mining Revenues

Estimated to total \$25 billion - 1999-2034 from existing 6 mines.

Production costs	57%
Government taxes and royalties	15%
Shareholders	11%
Loans and interests	10%
Capital investment	7%

# How big is mining's macroeconomic contribution?



# Example: foreign direct investment, Tanzania

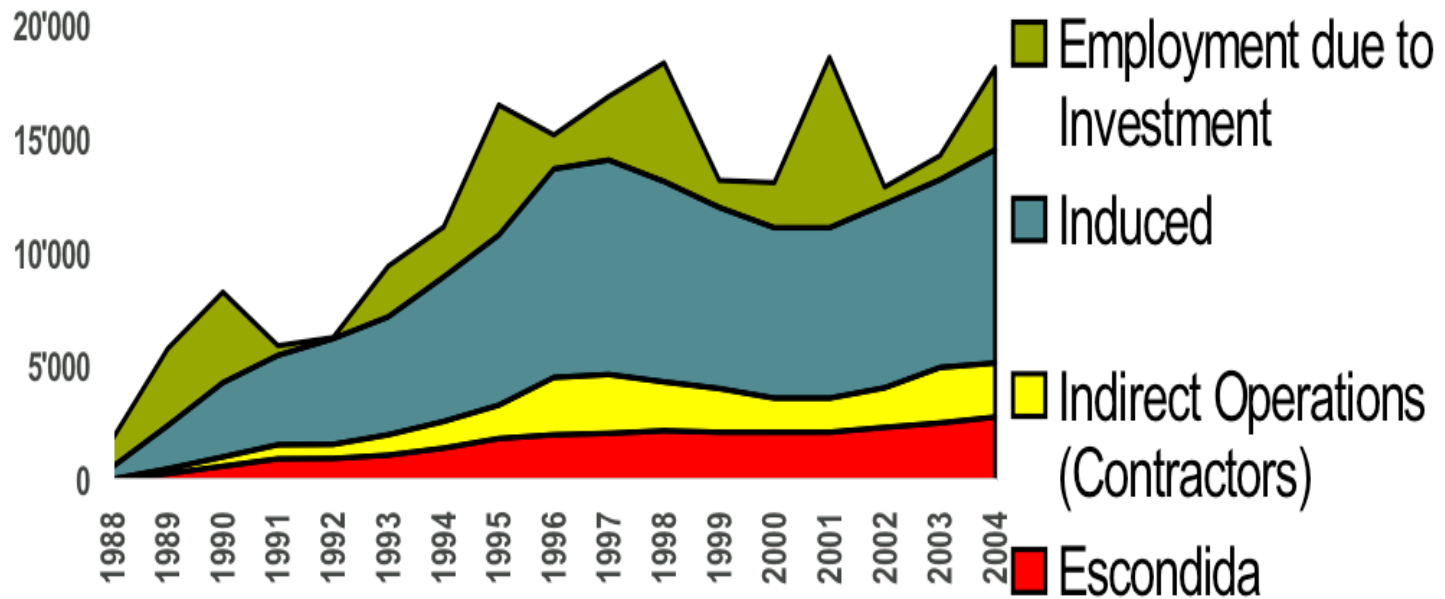
Range	Inflows
Over \$3.0 bn	Nigeria, Egypt and South Africa
\$2.0 bn to \$2.9 bn	Morocco, Libyan Arab Jamahiriya and Sudan
\$1.0 bn to \$1.9 bn	Equatorial Guinea, Algeria and Tunisia
\$0.5 bn to \$0.9 bn	Madagascar, Zambia, Ghana, Kenya, Democratic Republic of Congo, Namibia, United Republic of Tanzania, Chad and Burkina Faso
\$0.2 bn to \$0.4 bn	Botswana, Mozambique, Côte d'Ivoire, Uganda, Mali, Congo, Mauritius, Cameroon, Gabon, Ethiopia and Seychelles
Less than \$0.2 bn	Djibouti, Cape Verde, Mauritania, Somalia, Guinea, Lesotho, Sierra Leone, Senegal, Togo, Zimbabwe, Rwanda, Gambia, Malawi, Benin, Liberia, Swaziland, São Tomé and Príncipe, Central African Republic, Niger, Guinea-Bissau, Comoros, Burundi, Eritrea and Angola

- UNCTAD *World Investment Report 2008* data tells us that:
- Tanzania is now the leading non-oil destination for FDI in Africa after South Africa
- FDI flows of \$10 million or less per annum in the 1990s have grown FIFTY-FOLD to over \$500 million per annum now!
- In the 3 years to 2007 alone the total FDI was \$1.7 billion
- **More than \$2 billion of the \$3 billion total FDI flows since 2000 are in the Mining Sector**



# Partnerships to enhance local content: The case of Chile

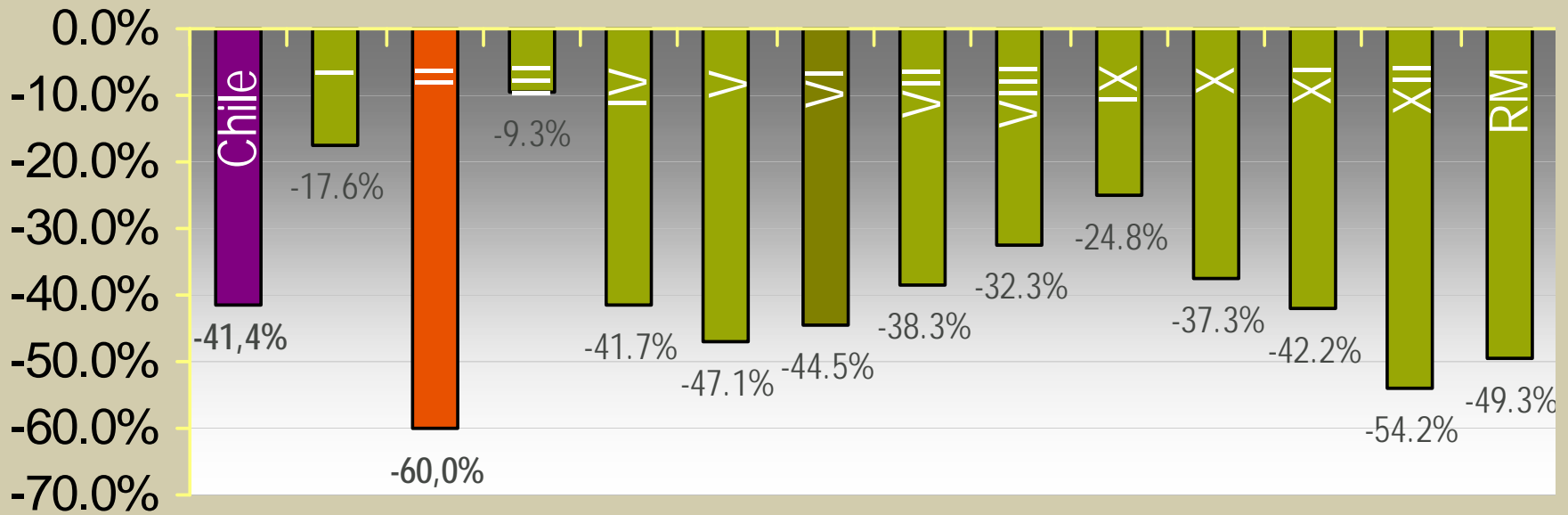
Direct, indirect and induced employment of Escondida



Source: Resource Endowment initiative, Chile case study, p.41

# Mining can contribute to poverty reduction: the case of Chile

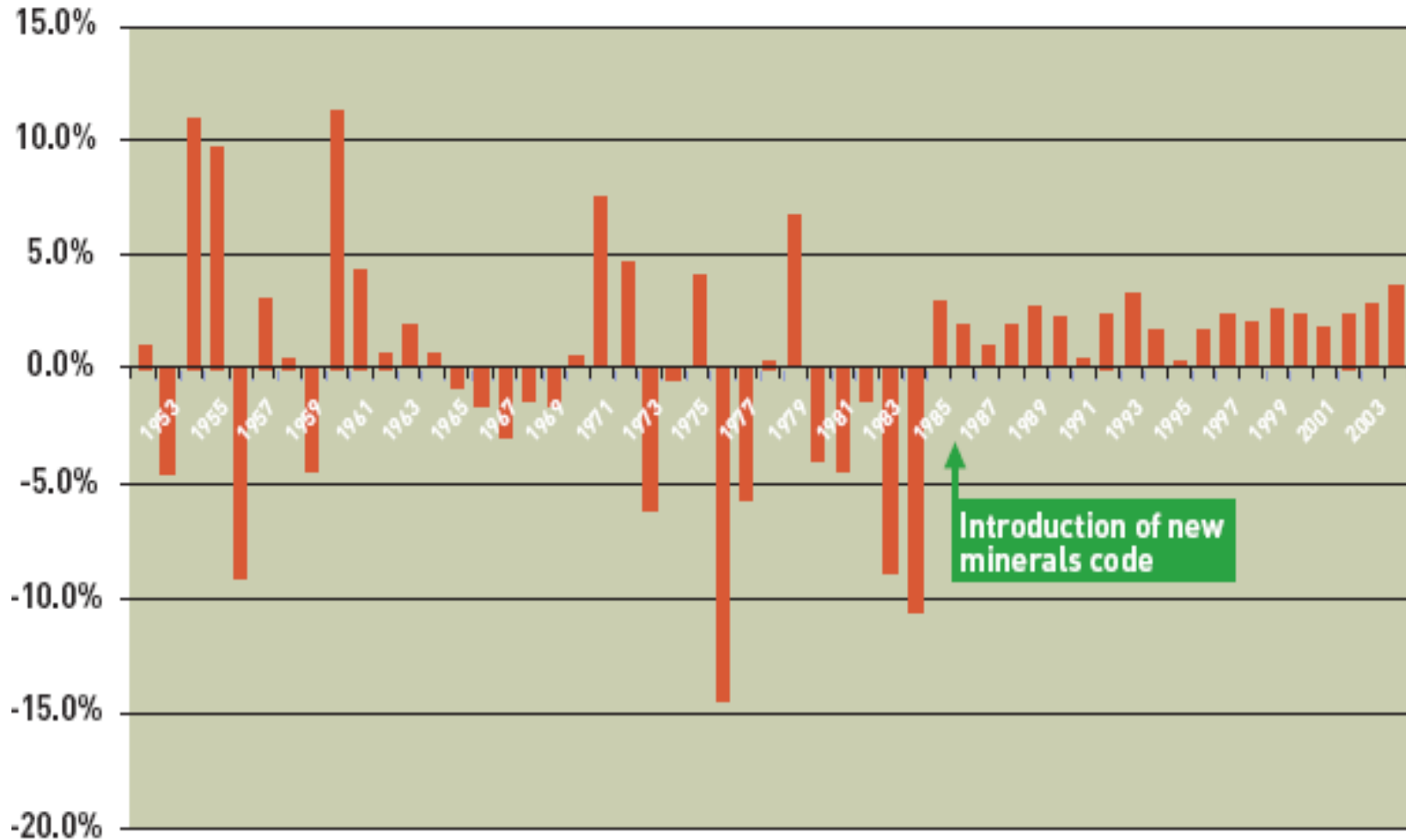
Chile: Falls in poverty by region, 1990-2003



Antofagasta: Chile's core mining region

# Ghana: macroeconomic performance

: Ghana Per Capita Growth Rates: 1950 – 2003 (PPP 1990\$)

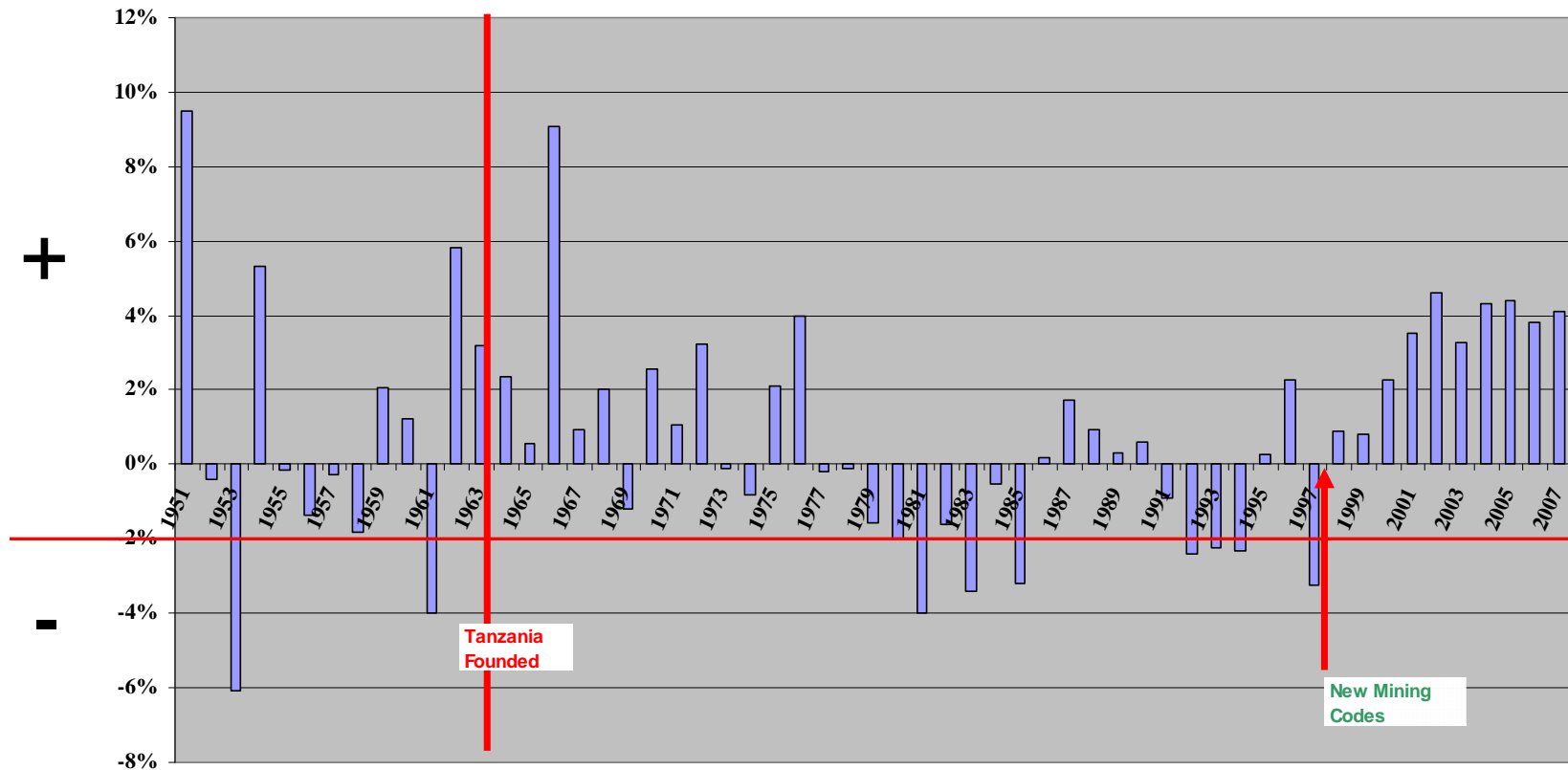


# Positive local socio-economic contributions

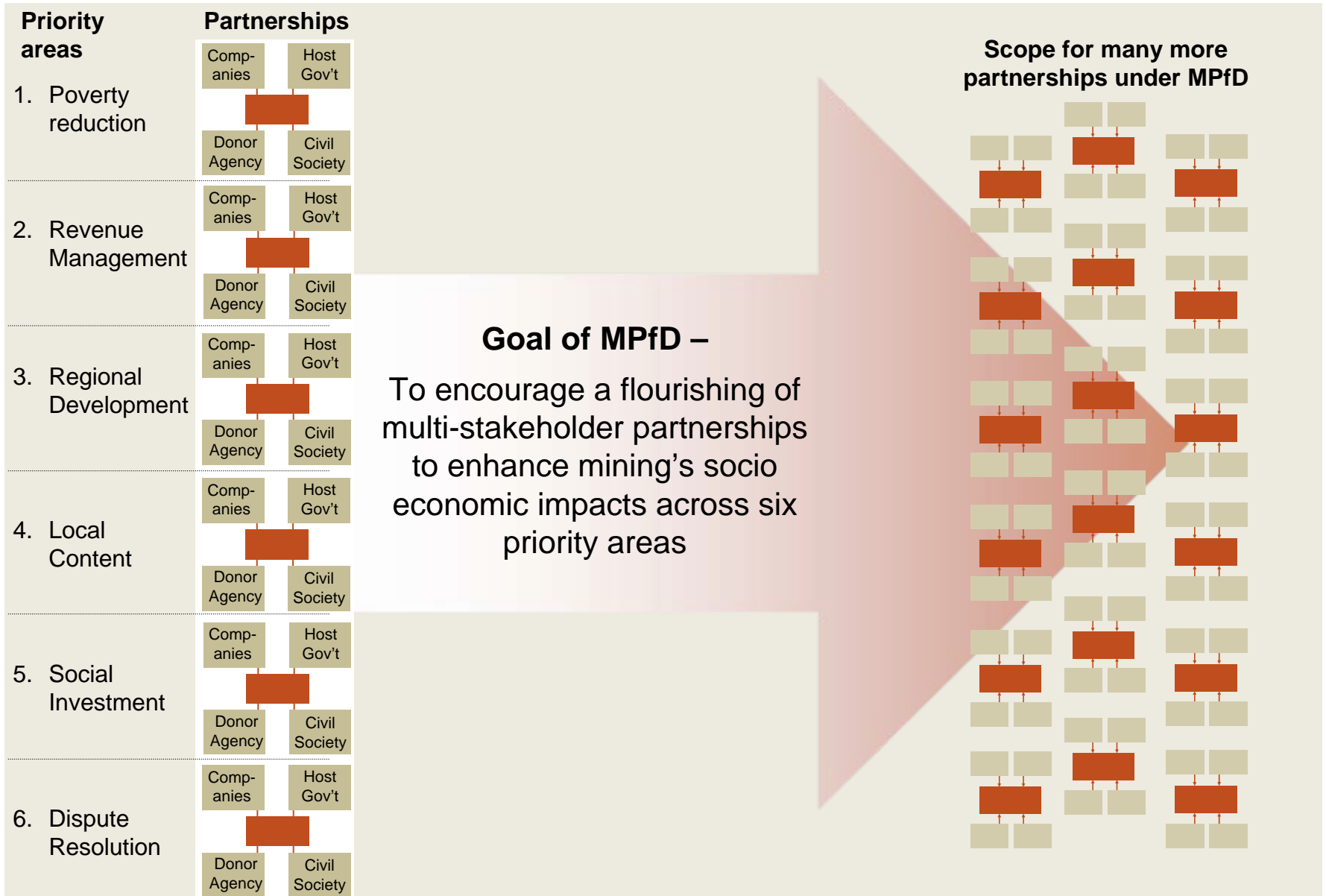
---

1. Since 1991 household-level poverty has declined substantially across Ghana
2. Regions with high level of mining activity have lower absolute levels of poverty, and have experienced faster declines in poverty levels than other regions
3. Households whose head is engaged in private sector employment are experiencing faster rates of poverty reduction than other sectors, especially traditional non-export agriculture
4. The poorer northern regions (where mining activity is very limited) are lagging behind the rest of the country

# TANZANIA GDP: per capita growth (1950-2007)



# Overall goal of 'Mining: Partnerships for Development'



# Progress, Lessons and Future Directions

---

1. Reporting and Assurance
2. Overall contribution to human and ecosystem wellbeing
3. Fair distribution
4. Worker health and safety
5. Community health and well-being
6. Indigenous people

# Progress, Lessons and Future Directions

---

7. Artisanal and small scale mining
8. Human rights
9. Climate change
10. Biodiversity
11. Integrated materials management
12. Post-closure implications



For further information  
please contact:

R. Anthony Hodge  
[anthony.hodge@icmm.com](mailto:anthony.hodge@icmm.com)  
[www.icmm.com](http://www.icmm.com)