FOREST-SMART MINING TO ADVANCE THE NYDF AND THE SUSTAINABLE DEVELOPMENT GOALS

SIDE EVENT REPORT

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**Background**

Forests are critical for sustainable development as they provide oxygen, significantly curb climate change, support global biodiversity, and provide livelihoods for nearly 2 billion people. But deforestation is accelerating.

Mining accounts for approximately 7% of forest loss globally. “Forest-smart mining” is needed to minimize direct and indirect impacts of mining on forests and to promote opportunities for positive forest outcomes. This requires strong public policies, corporate practices, and multi-stakeholder partnerships to address economic, social, and governance drivers of deforestation through an integrated landscape-level approach.

The dynamic United Nations General Assembly side-event, on 25 September 2018, was an opportunity to raise awareness about the relationship between mining and deforestation, present new research findings on forest-smart mining, and provide an overview of the New York Declaration on Forests and its Global Platform. The event attracted over 100 people representing UN agencies, governments, private sector and civil society. The two-hour side event included welcoming remarks from UNDP and the World Bank (the main side-event hosts), three presentations, and one panel discussion that helped highlight examples of forest-smart policies and practices, and discuss challenges and solutions, as well as opportunities, to advance forest-action and partnership-building to reduce deforestation from the mining sector.

**Opening Remarks**

*Ms. Adriana Dinu, Director, Sustainable Development and Executive Coordinator, Global Environmental Finance, United Nations Development Programme*

After sharing her expressions of gratitude toward all partners, Ms. Dinu set the stage for the event with her opening remarks. The SDGs represent our world vision. Forest restoration and capturing carbon contribute to goals on health, climate change, water, jobs and partnerships among others. The goals are integrated and indivisible. For the relationship between mining and forests, there can be negative impacts in terms of deforestation driven by direct and indirect impacts of mining. At the same time, mining is required to meet many of the global goals; for example, we cannot achieve Global Goals 7, 9, 11 or 13 without mining. Mining activities are increasingly moving into remote areas. Mining has become an increasing driver of deforestation and biodiversity loss.

We also cannot achieve the SDGs without forests. Forests contribute half of the world’s oxygen, 70% of clean water, and 80% of pharmaceutical materials. Forests provide fuel for cooking and heating for 3/5 families. They provide livelihoods for 1.2 billion people. Forests absorb vast amounts of carbon. Forests are under continued attack. In 2016, we lost a forested area the size of New Zealand. Ninety-seven million hectares of forest are overlapping with commercial concessions for oil, gas, and extractives.
1. We must acknowledge the complexity of the challenge. Governments, companies, and communities cannot do it alone. We need landscape wide approaches and partnerships.
2. Governments must engage in effective planning and enforcement systems.
3. Mining companies should not be motivated only by the regulations. They should respond to growing consumer demands for transparency among other incentives.

UNDP’s portfolio on forests covers a majority of forested countries. The funding is devoted towards sustainable forest management, forest protection, REDD+ and support for national implementation. UNDP hosts the Secretariat of the NYDF and promotes environmental governance in the mining sector. Governments and companies need to be held accountable for their actions. Governments, companies, and communities need to work together to deliver the multiple development dividends and advance the SDGs.

Ms. Karin Kemper, Senior Director, Environment and Natural Resources, World Bank

After welcoming the participants and partners to the side-event, Ms. Kemper explained the concept of forest-smart mining. Forest-smart, from the World Bank Forest Action Plan, refers to a development approach that recognizes the role of forests in every sector. The forest-smart approach includes engaging with the sectors that traditionally drive deforestation, to improve development outcomes, to improve crop yields on farms, and to reduce sedimentation loss.
The World Bank is working to implement forest-smart and change business as usual, by developing knowledge, tools, and implementation pathways. These efforts are financed and supported by the environment and natural resources team which Ms. Kemper leads. They are striving to make better investments and advise client countries in forest-smart approaches.

There are growing interests in the extractives industry, minimizing the footprint of mining, and integrating mining into ecosystems. The first step is analyzing current mining knowledge and practices and try to advance the forest-smart implementation. In terms of mining, we need to look at large-scale mining (LSM) and artisanal small-scale mining (ASM).

The growing demand for minerals poses a bigger threat to forest ecosystems than people realize. Celleluar phones and solar panels require minerals. They happen to be in forested areas: 1500 large scale mines operate in forests today and 1800 are being developed or are inactive.

Infrastructure that comes with the mines, including roads, railways, and pipelines, is more detrimental than the mines themselves. There are few instances of forest-smart mining when considering indirect impacts. Most private sector actors want to do the right thing, but there is a limit to what can be done at the project level. They need support of governments and partners.

There is a large, newly commissioned gold mine in Suriname in a forested area. The company in charge of the contract has committed to no net forest loss, and to the development of a social impact management plan. Study results show that forest-smart development needs to go beyond that and will require government level analysis and planning exercises.

Another mine in Madagascar has implemented several measures to mitigate the mining operation’s effect on forests. The company has made a “no net loss of biodiversity” commitment. However outside of the mine, the forest is being violated and there is a lot of legal logging. No actor can do it alone. We need capacity building of government and enforcement systems.

“Forest-smart refers to a development approach that recognizes the role of forests in every sector”
Presentations

Moderator & Panelists:

- **Moderator** - Mr. John Ehrmann, Senior Partner, Meridian Institute
- **Ms. Jamison Ervin**, Manager, Global Programme on Nature for Development, United Nations Development Programme (UNDP) and Senior Advisor for the NYDF
- **Mr. Thomas Maddox**, Senior Technical Specialist, Fauna & Flora International (FFI)
- **Ms. Estelle Levin-Nally**, Founder and Director, Levin Sources

**Ms. Jamison Ervin, UNDP / NYDF**

The [New York Declaration of Forests (NYDF)](https://nysummit.org/) is a set of 10 goals on forest restoration and protection, which was launched at the 2014 UN Climate Summit. The overarching mission of the NYDF is to halve forest loss by 2020 and end it by 2030.

Thus far, 200 governments, indigenous peoples, corporations, and non-governmental organizations have endorsed the NYDF. There are no endorsers from the mining and extractives industries yet.

In the context of mining, NYDF goal 3 aims to: significantly reduce non-agricultural deforestation. Mining accounts for 7% of forest loss globally. 2017 was the second worst year for deforestation, second to 2016. To add another layer of complexity, forests and mining areas are also centers for conflict which include both environmental and human rights violations.

UNDP hosts the [NYDF Global Platform](https://nysummit.org/), an online space designed to support and advance the achievement of the NYDF goals, accelerate actions and commitments, facilitate multi-stakeholder dialogue, and forge new partnerships.

**Mr. Thomas Maddox and Ms. Estelle Levin** presented the initial results of a series of World Bank (WB) reports on “Forest Smart Mining” developed in a partnership with Fauna and Flora International (FFI), Levin Sources and the Swedish Geological Services (funded by the WB-managed Programme on Forests, PROFOR). The objective of the work is to contribute to a better understanding of the direct, indirect and cumulative impacts of mining on deforestation, and to develop concrete recommendations on protecting forests in mining landscapes.
**Mr. Thomas Maddox, FFI**

Fifty percent of large-scale mining happens in forests. Before 2005, 4.5 mines in forested areas (MFAs) were commissioned each year; since then this has increased by more than 420 percent. This growth has been seen especially in Latin America and Sub-Saharan Africa. In 2015, there were 1500 mines in forests in operation. There were 1800 in development or non-operational. Most are in larger countries. China, Russia, Canada, Brazil, Democratic Republic of the Congo, Zambia and Zimbabwe are other countries with alarming growth of MFAs. Research that FFI conducted was spread across 29 case studies from a variety of political and economic contexts. They were aiming to map and understand the status of forest health. They used interviews and site visits as their methodology for data collection.

They found many examples of direct impacts of the mines, clearance for pits and infrastructure and pollution. The mitigation hierarchy strategies are applied to direct impacts. Secondary effects, such as the influx of people, new mining roads, and an increase in wood use for firewood are difficult to measure. These secondary effects are having the biggest impacts on forests.

Companies cannot achieve forest-smart mining alone. Mr. Maddox called for shared responsibility between business and government. Poor governance affects forest health. With strong governance and resources, companies can focus on their own responsibilities and impact.

**Ms. Estelle Levin-Nally, Levin Sources**

Artisanal and small-scale mining (ASM) are not organized around capitalist logic to maximize profit and minimize risk. They are labor intensive, and people involved in ASM are usually doing it for subsistence. 40 million people in 18 countries are mining minerals, from sand and construction materials, to diamonds and cobalt. It is not well documented how many people are engaging in ASM as compared to large scale mining. ASM has been happening more and more over the past 20 years, among other reasons because climate change is making other livelihoods not viable.

Research including 21 case studies across 12 countries showed that ASM has relatively minor direct impacts on forests as compared to traditional agriculture practices. Responsible ASM can be an economically-attractive sector to invest in. Investors ask if there is a market to promote forest-smart minerals at ASM level.

Where governance is strong, ASM impacts are low. There is a need to increase awareness in mining governments and recognition of indigenous rights. At the same time, we need to be resolving conflicts and corruption and decentralizing authority sensibly.
Question & Answer Session

Q: There is now more interest from the mining sector, why? Material risk? Reputational risk?
   A: Risk—finance companies are feeling pressure to stop investing in projects that involve deforestation. Mining companies have not seen themselves as agents of deforestation, though they are responsible for 7% or more of the deforestation.

Q: Why have no mining sector companies signed onto NYDF?
   A: Companies have expressed their commitment to environmental protections by endorsing several existing pledges- even if not NYDF specifically. The mining community, however, expressed an interest in sharing NYDF with their colleagues and partners.

Q: Legal ASM vs. small-scale illegal mining- How does this fit into the picture of forest-smart mining?
   A: A Ghana case study points to the pace at which small-scale mechanized mining has taken off. Foreign, finance-backed, mechanized small-scale mining is particularly destructive causing massive disturbance of land. Small-scale mining is highly organized, but not formalized.

Q: Regarding the NYDF, have any of the targets since 2014 been reported on, other than new endorsers?
   A: Climate Focus produces annual assessment reports on the NYDF goals. In depth reports on 2, 8, 9, 10 exist and show the status of progress.

Q: How is ASM differentiated from agriculture vis a vis forest impacts? What are the effects of mining for celllular phones on food production/local economy?
   A: Two examples were cited to give context to this question: 1) Cobalt mining in the Democratic Republic of the Congo in fairly stable communities- impacts on forests are relatively low in comparison to impacts from agriculture. 2) Indigenous peoples groups in Ecuador are mining with negligible impacts on forests, yet the government is evicting them to disincentivize other groups from coming in.
Panel Discussion

Moderator and Panelists:

- **Moderator-** Mr. John Ehrmann, Senior Partner, Meridian Institute
- **H.E. Ms. Kitty Sweeb, Charge d'affaires a.i., Permanent Mission of the Republic of Suriname to the United Nations**
- **Ms. Camilla Lott, Sustainability Director, Vale**
- **Mr. Tom Butler, Chief Executive Officer, International Council on Mining & Metals (ICMM)**
- **Mr. Caleb McClennan, Vice President, Global Conservation, Wildlife Conservation Society (WCS)**

H.E. Ms. Kitty Sweeb, Government of Suriname

Ms. Sweeb spoke of the challenges between national policies and mining company policies and shared examples of multi-stakeholder engagement in Suriname where a mining company was engaging with local communities and government officials. She explained the shortfalls in the implementation of forest-smart mining policies in her country and how this can limit mining companies’ accountability and interest to implement environmental and social policies- event if designed by them. Ms. Sweeb stressed the need for a higher and more intense exchange amongst stakeholders to get results and reiterated that the blame for not delivering on forest-smart practices could not be placed on any one party; that there is a gap in accountability, and that there is a lot of room for growth in Suriname in the implementation of forest-smart policies. Ms. Sweeb also highlighted that mining is a key activity for the economy of Suriname and that to reduce the impact it has on biodiversity and ecosystems, they must think of diversifying their economy to advance greener, forest-friendly policies.
**Ms. Camilla Lott, Vale**

Since 2009, Ms. Lott and her team at Vale have developed an institute which works in several areas, including developing mining technologies in the Amazon forest and Atlantic forest in the south east, and various projects including one focused on reducing the footprint of tailings dams. Ms. Lott shared that in the Amazon they have the challenge of adding value to the standing forest and that it is important to recognize that the standing forest has value other than logging. She also explained that they have the Vale Fund, a finance initiative to improve income generation for local communities, to support the mangroves and to protect the forests. Ms. Lott also stressed that in Brazil, there are good legal frameworks and policies for mining; the big challenge there is implementing the public policies.

Ms. Lott reiterated, as many mentioned throughout the event, that indirect effects of mining are larger than direct effects and raised the question about the role of civil society in bringing communities together to address indirect impacts. She stated that we need technocrats, governments, non-governmental organizations (NGOs) and decision-makers to build public awareness and a knowledge base on forest-smart policies and that we need to leverage leadership from all sectors so that local corporations see the advantages of promoting forest-smart mining. Ms. Lott also reminded the audience of the important role played by NGOs in improving mining and forest-related legislation, frameworks and implementation of policies.

**Mr. Tom Butler, ICMM**

Mr. Butler explained that the International Council on Mining & Metals (ICMM) is a membership organization of the mining industry, involved with social and environmental conservation. They assess impacts of extractive activities and provide guidance for mining companies on good practices. He explained it is easier to predict the direct impacts over indirect impacts of mining companies, and that ICMM advises companies on ways to incorporate biodiversity in the planning and restoration of biodiversity, focusing on the mitigation hierarchy. They also help to manage unavoidable impacts. Richards Bay Minerals in South Africa is a good example of restoring forests after a mining project. Tall canopy trees and original fauna coming back after 40 years. This entailed close work with different sectors and ministries.

Mr. Butler shared that a challenge is the limitation of companies’ reach—at what point do you start involving government and other players on induced impacts. He shared that companies are very cautious about becoming a sovereign government; that forest-smart practices need to be implemented on a partnership basis; and that we need government and other players at the table. He encouraged everyone to think holistically and to first think of how to mainstream good practices across the sectors and into ASM. He stated that NYDF is a good example of how to get the message out and set common goals; NYDF provides a mechanism for governments to work together. He also noted that endorsement of the NYDF is something ICMM would be willing to discuss with members.
Mr. Caleb McClennan, WCS

Mr. McClennan explained WCS’s goal of ending all intact forest loss by 2030 and that preserving our planet’s last unbroken swaths of intact forest is one of the most powerful and cost-effective solutions we have to combat the global challenge of climate change. Mr. McClennan shared some of the work WCS global conservation’s team focused on degradation of core forest blocks. On this topic, Mr. McClennan highlighted the key biodiversity maps his team has created in Uganda to track current mining and forestry projects. The maps contribute to a conservation conversation which also considers linear infrastructure, roads, increased purchasing power, and an influx of people. Mr. McClennan also shared some information on his work with the National Roads Authority in Uganda to reroute roads to reduce the impact on forests. He also shared the example of forestry concessions in Congo and access controls for the roads.
Question & Answer Session

Q: How can the religious community assist in forest-smart mining and reforestation?
   A: Several mining companies have been engaging for about 3 years with interfaith organizations. This began as an initiative in Rome and London but trickled down to other countries. The aim was to foster more understanding of how LSM works, voice the concerns of the poor, etc.

Q: What is the level of incentive, enforcement, and prevention of deforestation? How do you strike a balance between communities trying to make a living and what are the alternatives for communities?
   A: Long-term planning can facilitate real sustainable development in these communities; but must keep in mind a push from some governments to move from a more traditional mining economy toward a path of economic activity diversification e.g. Ecosystem services from forests are areas of growth and have not been promoted enough. With regards to landscape-scale approaches for regional planning, panelists shared the example of Mongolia where stakeholders first outlined critical areas of biodiversity and then engaged in strategic planning of infrastructure.

Q: In terms of finance, what are the main incentives/drivers for partnerships with banks?
   A: Key drivers include accelerating best practices and transforming regulatory environments at a national level. Principles for Responsible Investment, Equator Principles etc. are becoming more relevant for investors.

Q: Why are mining companies not signatories of the NYDF?
   A: There are so many initiatives and causes that demand the private sector’s attention that on occasions, the latter can become overwhelmed and unsure of where and with whom to engage. Although there are links between climate and forests, and biodiversity and forests, “forests” as a stand-alone topic are not given as much importance by the private sectors. The consolidation of frameworks and initiatives to conserve natural resources (including forests) is key for companies and governments. In the case of Suriname, in 2014 Suriname was involved in agriculture projects that discouraged the government from endorsing the NYDF. Lastly, the NYDF goals are broad and flexible; this encourages endorsement and forest-smart action.

Q: In terms of drivers for the mining industry, is there an investor ask for reporting of risks and opportunities?
   A: According to the panelists, investors are not asking specifically about deforestation in the Amazon, for example. Investors seem more interested in issues of human rights and climate change.
Special Announcement

Mr. Saidou Bari Sidibe, Secretary General, Ministry of Environment, Government of Guinea

Mr. Saidou Bari Sidibe from the Republic of Guinea publicly announced the government of Guinea’s endorsement of the NYDF. Mr. Sidibe shared the importance of forest conservation for the Guinean government and people, and encouraged governments and mining companies to endorse the NYDF.

Main takeaways from the side-event discussion:

- It is very important to differentiate direct, indirect and cumulative impacts of LSM and ASM.
- Collaboration between stakeholders and sectors - at various scales – is crucial to address the complexities presented at the side-event discussions.
- It is important to understand the interplay of actors and issues vis a vis development plans, stakeholder engagement and finance, as well as challenges faced by communities to maintain a livelihood and conserve forests while promoting local and national economic growth.
- Global leadership and regional and national government engagement are key to advance forest-smart policies.
- Further research and understanding of forest-smart mining concepts and the connections between forests, biodiversity, climate change, livelihoods and economic development, etc. is needed to advance holistic approaches to reduce deforestation linked to the extractive sector.
Appendix I: Event Invitation

Forest-Smart Mining to Advance the New York Declaration on Forests and the Sustainable Development Goals

Side-Event at the UN General Assembly
Scandinavia House: 58 Park Ave. New York, NY
25 Sept. 2018
9:30-11:30am
9am for coffee and networking

Forests are critical for sustainable development as they provide oxygen, significantly help curb climate change, are home to a majority of global biodiversity and provide livelihoods for nearly 2 billion people. But deforestation is accelerating.

Mining accounts for approximately 7% of forest loss globally. “Forest smart mining” will be needed to both minimize direct and indirect impacts of mining on forests and to pursue opportunities for positive forest outcomes. This will require public policies, corporate practices and multi-stakeholder partnerships to address economic, social, and governance drivers of deforestation through an integrated landscape-level approach.

This dynamic side-event will be an opportunity to raise awareness about the relationship between mining and deforestation, present new research findings on forest-smart mining, and provide an overview of the New York Declaration on Forests and its Global Platform. It will highlight examples of forest-smart policies, practices and partnerships and build a shared understanding of what changes, innovations, and new initiatives may be useful to accelerate action.

Speakers include:
- Ms. Adriana Dinu, Director, a.i. Sustainable Development and Executive Coordinator, Global Environmental Finance, UNDP
- Ms. Karin Kemper, Senior Director, Environment and Natural Resources, World Bank
- Ms. Jamison Ervin, Manager, Global Programme on Nature for Development, UNDP and Senior Advisor for the NYDF
- Mr. Thomas Maddox, Senior Technical Specialist, Fauna & Flora International
- Ms. Estelle Levin-Nally, Founder and Director, Levin Sources
- H.E. Ms. Patricia Appiagyei, Deputy Minister of Environment, Science, Technology and Innovation, Republic of Ghana
- Ms. Camilla Loft, Sustainability Director, Vale
- Mr. Tom Butler, CEO, International Council on Mining & Metals
- Mr. Caleb McClennan, Vice President, Global Conservation, WCS
- Ms. Cristiana Pašca Palmer, Executive Secretary, Secretariat of the Convention on Biological Diversity (TBC)

Contact eva.gurria@undp.org with questions