

Mining and sustainable development: is it possible?



Victor Andrés Garzón (GIZ) points out that, with mining projects in the amount of approximately US \$ 47 billion, and peasant or indigenous communities neighboring these projects, which know the impact of extractive activities in their territories, the 2030 agenda is an opportunity for the sector to do things well.

The 2030 Agenda requires Latin America to contribute decisively in the implementation of a development that is sustainable. The mining sector, considered a key economic engine, presents great challenges at this point. Víctor Andrés Garzón, adviser to the German Development Cooperation (GIZ), addresses these challenges from a social, environmental and economic perspective.

The national and international scenario for the mining sector is particular. According to Víctor Andrés Garzón, in the external sphere one moves towards a technological revolution, where there is even talk of an industry 4.0. In addition, going to a low carbon economy represents great opportunities for the mining sector, since much of the technology that needs to be developed requires minerals such as copper, cobalt and lithium. That is to say, Peru has opportuni-

ties in this new scenario. Other important challenges for the country remain the same: to confront informal mining, especially gold, for the serious damage it generates to ecosystems, as well as to encourage greater participation of the communities surrounding mining extraction areas. For the specialist, the sector can not be oblivious to the processes of poverty eradication, care for the environment and implementation of labor policies that favor equity.

1/ Víctor Andrés Garzón, technical advisor of the Regional Cooperation for the Sustainable Management of Mining Resources in the German Development Cooperation (GIZ), was the main speaker at this event. Commentators: Ricardo Labó, deputy minister of Mines of the Ministry of Energy and Mines; Cynthia Sanborn, Vice Chancellor for Research at the Universidad del Pacífico; Carlos Castro, director of Corporate Affairs and Social Responsibility at Hudbay; and Luis Marchese, president of the National Mining, Petroleum and Energy Society, as well as Peru manager of Anglo American. Moderator: Guillermo Vidalón, Superintendent of Public Relations of Southern Peru Copper Corporation.



According to Cynthia Sanborn, from Universidad del Pacífico, although there are advances in the institutionalization of social management in mining operations, there is evidence that there is room for improvement, especially to articulate these initiatives with regional and local development plans, as well as to incorporate gender equity and human rights more decisively.

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This horizon is linked to the Development Agenda 2030 of the United Nations (UN), approved in September 2015 by more than 193 countries. But how to link the Development Objectives of the Agenda with a sustainable development of the mining sector?

With regard to the Millennium Development Goals, also from the UN (2000-2015), there was an extension of eight to 17 Sustainable Development Goals. Within the framework of this agenda, Garzón reaffirms the need for mining companies to establish alliances with other economic sectors to improve their contributions to development, without neglecting their efficiency and production.

With mining projects in the pi-

peline for amounts of approximately US \$ 47 billion, and peasant or indigenous communities neighboring those projects that know more about the impact of extractive activities in their territories, the agenda is an opportunity to make things better, and the context is conducive to the convergence of the challenges of mining with the Sustainable Development Agenda 2030. In addition - said the specialist - there is a desire of the people with the greatest participation in extractive revenues. In this line, the challenge for companies in this sector is to improve the living conditions of communities after the exploitation of natural resources.

2030 AGENDA AND MINING CHALLENGES

The challenges of mining demand a constant dialogue between public and private actors, and civil society, explains Garzón. Taking into account the Sustainable Development Objectives (ODS), mining must assume as its objective Objective 17: strategic alliances to achieve objec-

tives. The specialist mentioned 10 challenges for mining in Peru and the world, based on a report from the global consulting firm Deloitte (2017). These challenges -in his opinion- are linked to the SDGs: 1 (create more value for shareholders, but with fiscal discipline), 2 (increase productivity through innovation), 3 (work in the ecosystem, that is, partner among miners to take projects forward and share risks), 4 (take advantage of the digital revolution in processes and operations), 5 (protect yourself from the cyber threat, which implies strengthening cybersecurity), 6 (work in a shared vision in which not only the company wins but also the State and the communities), 7 ('reganar' the social license, which means taking the project forward and then ensuring that a mine continues to work in a socially acceptable environment), 8 (transforming operational models to accommodate the evolution of technology), 9 (inclusion of labor and safety at work, which implies working for more women in the sector and for workers to receive optimal health care, especially psychological, as work-related stress is a greater threat) and

10 (greater rigor in reporting to the stock market and stakeholders to include not only financial information, but also that linked to social and environmental responsibility, among other data).

HOW TO TRANSFORM THE WEALTH IN TERRITORIAL DEVELOPMENT?

About the Garzón exhibition, Ricardo Labó, vice minister of Mines of the Ministry of Energy and Mines, remarked that the Government has “a normative, promoter and coordinating role” to transform wealth into territorial development. On this point, he said that the Social Advancement Fund has been created, which will operate since 2018 to create territorial development plans that are not isolated projects. “These initiatives seek to establish development plans with a minimum of sustainability standards. For this, it is important to comply with environmental and security measures, as well as the due scrutiny of State institutions and civil society organizations,” he explained.

In turn, the official said that there is a work in the generation of mechanisms for the transformation of

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wealth and vision of development. In this regard, he said that the State has worked to create a shared strategic vision together with the Inter-American Development Bank (IDB). “This vision reflects the objectives of the 2030 Agenda, recognizes the true contribution of mining to the development of the country, involves discussions and alliances of the management entities and incorporates concrete goals for 2021 in the mining sector,” he said.

On the other hand, he also referred to gender equity in the mining sector. He argued that although it is still incipient, in the period 2010-2016 there was a 19% increase in the employment of women in the extractive sector. Of that percentage, 41% is administrative personnel.

Carlos Castro, Director of Corporate Affairs and Social Responsibility at Hudbay Peru, said that the mining industry “is not the cause of social conflict and rather is the best promoter of social development in the remote areas where it operates.” Due to this, he considered necessary to know the demands of the communities and work in partnership with the Executive, local governments, private sector agents and non-governmental organizations. Castro added that for a better development of the sector it is necessary to have professionals in social responsibility and environmental care. “We must export the good way to do mining,” he noted.

In line with the positive impact of the economy, the president of the National Society of Mining, Petroleum, and Energy (SNMPE), Luis Marchese, recalled that mining production constitutes around 10% of GDP and that 25% of the proceeds for annual income tax comes from this sector. To this, he added, the benefits for the communities in education, health and construction of access roads and infrastructure are added. However, he stressed the need to pay greater attention to the environmental management and safety of citizens living in the area of influence of mining projects, in addition to placing issues related to human rights on the agenda. At this point, he highlighted the work that SNMPE is doing with other institutions (Women in mining) to promote gender equity. “You need to have a systematic development objective,” said Marchese, who is also a director in Peru of the mining company Anglo American.

MINING AND HUMAN RIGHTS

Cynthia Sanborn, vice-rector for research at the Universidad del Pacífico, said that little progress has been made in recognizing the importan-

ce of human rights in the sector. He added that the working conditions of the sector, such as isolation in camps or executive stress, have not been addressed in depth, as Garzón pointed out in his presentation. The specialist in political science indicated that a survey, prepared in 2017 by the Center for Studies on Mining and Sustainability (CEMS) of Universidad del Pacífico and SNMPE, shows that the mining sector has made an important advance in the formalization and institutionalization of social management in its operations, since it carries out social impact studies, carries out sustainability reports and establishes social investment strategies that seek to promote employment and invest in health and education in the areas where it operates. However, it also shows that there is room for improvement, especially to articulate these initiatives with regional and local development plans, as well as to more decisively incorporate issues as important as infrastructure works, such as gender equity and human rights.

Finally, she highlighted the fact that the agenda incorporates the objectives associated with peace, justice and gender equity, in which Peru faces great challenges. He argued that more work should be

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done on gender equity, since there is only one woman for every 20 workers in the extractive sector, which has a strong macho culture.

In summary, it was clear that mining should include, within its development and production perspectives, a multidisciplinary approach that allows it to face the global demands of caring for the environment and respect for the human rights of communities settled near mining projects. At the same time, it is necessary to orient a sectoral labor policy towards gender equity.



The mining sector has much to do to raise its social and environmental standards. The Sustainable Development Goals of the 2030 Agenda are an important basis for this purpose.