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Strategic Dialogue on Sustainable Raw Materials for Europe (STRADE)

# **Is there a case for an International Resources Global Alliance (IRGA)?**

A presentation to the STRADE workshop

‘European and global extractive industries: Steps towards sustainable partnership approaches and responsible mining practice’

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# Workshop questions

- Can existing organisations fulfil the need for a platform for sustainable minerals governance?
- What should be the tasks of an International Resource Governance Alliance (IRGA)?
- Where should an IRGA be located?

# What is resource governance?

- *Actors* – Governments (home and host nations), intergovernmental organisations (IGOs), private entities from commercial and non-profit sectors, and diverse communities within civil society (shareholders, investors, consumers, workers). Different interests, social, cultural, political, economic and environmental contexts.
- *Normative frameworks* – More formal normative frameworks include treaties, laws, policies, contractual agreements and technical standards. Less formal normative frameworks include administrative, commercial, professional and cultural practices, and interpersonal relationships. Land use options skewed in favour of extractives
- *Behavioural relationships* – Asymmetric relationships of power, authority, cooperation or influence at multiple levels. *Vertical* when predominantly hierarchical, *horizontal* when predominantly cooperative and voluntary.
- *Space and time* – Different spatial and temporal scales, including local, national, regional and international, and past, present, future and inter-generational. Spatial boundaries often not aligned with the biophysical and spatial characteristics of resources. Temporal scales often not aligned with decision-making processes.



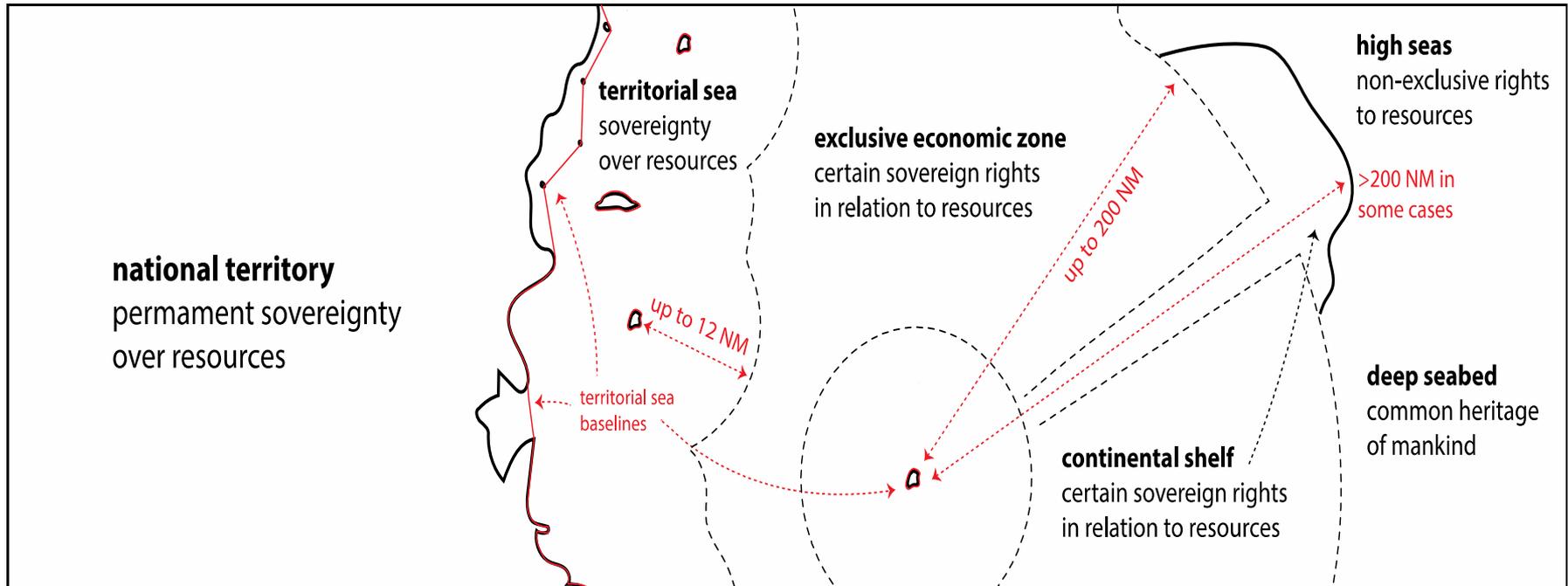
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# Who owns resources?

*Resources on land* – permanent sovereignty of nation states

*Marine resources in zones of national jurisdiction* – sovereignty over 12 nautical miles and an Exclusive Economic Zone (EEZ) extending up to 200NM.

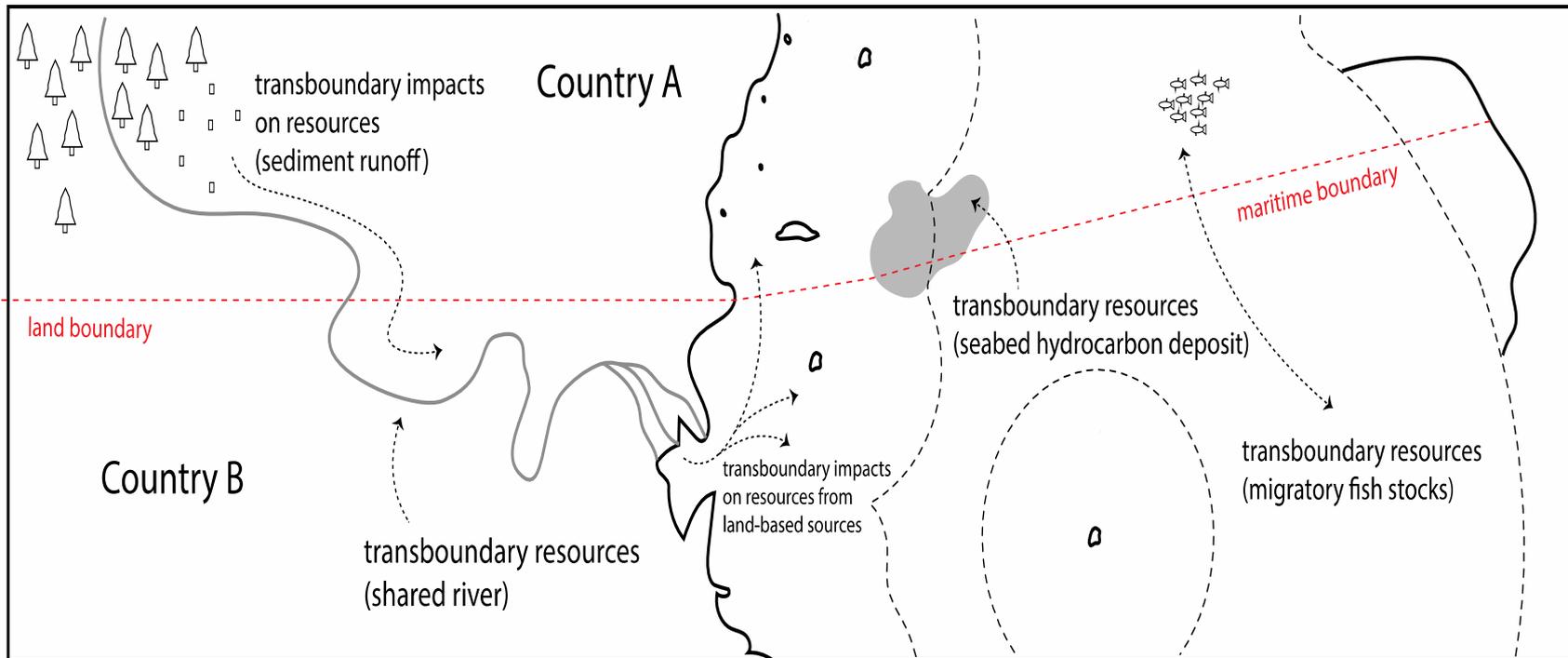
*Marine resources located beyond zones of national jurisdiction* – rights and obligations of states concerning resources located on the high seas and deep seabed. International cooperative frameworks, ‘common heritage of mankind’.





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# Regional and international complexities





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# What is the purpose of resource governance?

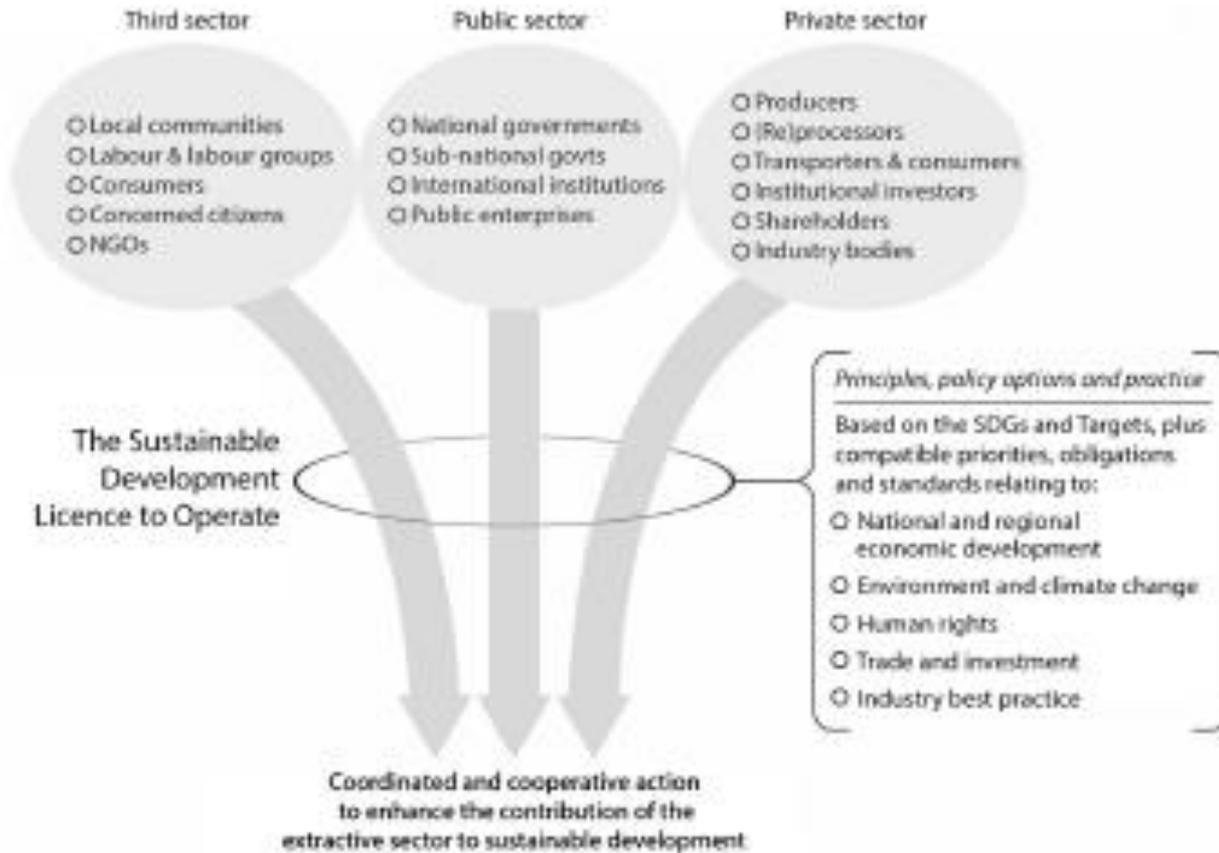
- To contribute to the meeting of the Sustainable Development Goals (SDGs) especially but not only in the countries of resource extraction
  - Extraction that contributes to the economic development of extracting countries by sharing rents, building capacity and creating employment
  - Extraction that contributes to the economic and social development of affected communities by facilitating health and education, creating employment and increasing community well-being
  - Extraction that promotes environmental sustainability locally and nationally
- Extractive industries require a Sustainable Development Licence to Operate (SDLO)



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# Resource governance for SD

Source: Pedro, A., Ayuk, E., Bodouroglou, C., Milligan, B., Ekins, P. & Oberle, B. 2017  
'Towards a sustainable development licence to operate for the extractive sector', *Mineral Economics*, April, DOI 10.1007/s13563-017-0108-9





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# Does resource governance for SD require a new global institution?

- There is a large number (at least 63) of existing resource governance initiatives
- The great majority are voluntary and sectorial. Some exert peer pressure and may impose sanctions (e.g. market access)
- A new global institution (e.g. IRGA) would only really add to this crowded field if it was:
  - Universal (e.g. UNEA);
  - Directed towards the SDGs as a whole; and
  - Backed by the political will to enforce monitoring and compliance (Secretariat; UNEP)
  - Able to help ensure the upward harmonisation of international standards in the mining and other resource-related sectors, to avoid a 'race to the bottom' socially, economically and environmentally.



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# What are the conditions for an IRGA to play a useful role?

- The social and environmental dimensions of extraction:
  - Consumers accept to pay for environmentally sustainable, socially acceptable and economically equitable production (ESSAEEP)
  - Producers agree to carry out ESSAEEP
  - Governments accept to enforce ESSAEEP
- No such international agreement in any field currently exists
- Could such an approach build on experience with Charters (e.g. Earth, Natural Resource Charters), Conventions, Commodity Agreements (SCAs), Trade Agreements?