

**Economic and Social Council (ECOSOC) Special Meeting on Natural Resources,
Peaceful Societies and Sustainable Development: Lessons from the Kimberley
Process**

**UNDP Administrator Achim Steiner
18 March 2022, 15:00 – 18:00 (NY Time)**

Opening

President of the Economic and Social Council, **Collen Vixen Kelapile**,¹

President of the 76th Session of the United Nations General Assembly, **Abdulla Shahid**,

Excellencies, Distinguished Panellists,

Dear Colleagues and Friends,

On behalf of the UN Secretary-General, it is a privilege to join this timely meeting on **Natural Resources, Peaceful Societies and Sustainable Development**.

As the natural resources sector comes under increasing demands from the Fourth Industrial Revolution and the accelerating global green recovery, today I would like to focus on concrete ways for countries to *get ahead* of these many emerging challenges.

It must be informed by efforts such as the **Kimberley Process**² and the **UN Secretary-General's initiative on Transforming Extractive Industries for Sustainable Development**.³

Overview: Potential and Challenges of Extractives as a Driver for Sustainable Development

Extractive industries, including diamonds and other minerals and metals, generate **large foreign exchange earnings, foreign direct investment, and government revenues**.

In this respect, they hold great potential to **drive inclusive green growth, reduce poverty and advance progress across the Global Goals** when their benefits are shared equitably and their impact on the environment & local communities is minimized.

Yet, this potential is often stifled by a range of **interlinked challenges**.

¹ Also Ambassador and Permanent Representative of Botswana to the United Nations.

² The Kimberly Process unites administrations, civil societies, and industry in reducing the flow of conflict diamonds - 'rough diamonds used to finance wars against governments' - around the world. It has helped to mitigate the risk of conflict; improve the lives of people in diamond mining communities; and promote increased cooperation between government, industry, and civil society to advance peace and prosperity.

³ UNEP and UNDP are among the co-Sherpas. See https://www.un.org/sites/un2.un.org/files/sg_policy_brief_extractives.pdf

Poor governance, corruption, illicit financial flows, and weak institutions threaten peace, security, and sustainable development.⁴

Now, the **green energy** and **digital transitions** are ramping-up demand for the **mining of metals and minerals**.⁵

For instance, the **production of graphite, lithium and cobalt could increase by nearly 500% by 2050 to meet the demand for clean energy technologies**.⁶

And this growing demand has *already* resulted in some governments **weakening social and environmental safeguards**.

The Future / 5 Key Areas

In this fluid context, I would like to outline five key areas that require our collective focus:

1. *First* – there is a clear need to improve the integrated governance of the extractives sector. That includes **stronger social and environmental safeguards, promoting ESG investments, enhanced stakeholder dialogue. There is also a clear need for the independent monitoring of revenue mismanagement** as well as more efforts to **address corruption and illicit financial flows**.

In this respect, efforts such as the **African Union’s African Mining Vision** are vital. It is centred on **re-thinking how mining can contribute better to local development by ensuring that workers and communities see real benefits**. For example, the Vision provides specific *guidelines* to ensure the equitable sharing of revenues across communities; and how to put environment and social safeguards around mining operations in place.⁷

2. *Second* -- we need to ensure that **revenues generated by the mining industry are re-invested in local communities and the Global Goals**.

A promising example is the OECD-UNDP **Tax Inspectors Without Borders** initiative. It has built the capacity of countries like **Mongolia and Zambia** to tackle suspected tax abuses in the extractive sector. From one tax audit of a Multinational Enterprise, Mongolia was able to collect more than \$228 million in

⁴ 40% of conflicts around the world since 1960 are related to access to natural resources (UNEP report on Natural Governance and Conflicts).

⁵ A typical electric car requires *six times* the mineral inputs of a conventional car and an onshore wind plant requires nine times more mineral resources than a gas-fired plant. <https://www.weforum.org/agenda/2021/05/energy-transition-reliant-on-mining/>

⁶ <https://www.weforum.org/agenda/2021/05/energy-transition-reliant-on-mining/>

⁷ <https://au.int/en/ti/amv/about>

taxes.⁸ This demonstrates the extent of potential revenues that developing countries can collect, which can then go directly towards development.

3. *Third* -- **we must help countries to reduce their dependency on extractives by diversifying economies. That means creating alternative job opportunities, and accelerating a just, clean energy transition for companies, and communities whose jobs and livelihoods are tied to the extractives industry.**
4. *Fourth* -- the revenues generated by the mining industry must be fully aligned with the objectives of the **Paris Agreement** as well as our post-2020 global Biodiversity Framework.

In this respect, efforts like the **Task Force on Nature-related Financial Disclosures** are key. It can help mining and other sectors to **report on their impacts & dependencies on nature**. In doing so, it aims to **re-direct game-changing levels of finance towards 'nature-positive' investments**.

5. *Fifth* -- **countries need more tailored support to integrate circular economy approaches**. For instance, current waste processing facilities may need significant investment to cope with an impending influx of new recyclables such as electric vehicle batteries.⁹

Moreover, **access to data & analytics** should be seen as a **global public good** to ensure sustainability across the entire **mineral value chain**.

Closing

President of the Economic and Social Council,

President of the United Nations General Assembly,

Excellencies, Ladies and Gentlemen,

In this era of rapid technological change and a global green transformation -- countries need access to cutting-edge digital tools, data, analytics, and innovative approaches so that their communities can reap the full benefits of *their* natural resources.

As we will hear today, the Kimberley Process offers many lessons to inform these crucial efforts.

⁸ <https://www.oecd.org/countries/mongolia/mongolian-tax-administration-partners-with-international-organisations-and-issues-first-transfer-pricing-tax-assessment-for-usd-228-million.htm>

⁹ <https://www.weforum.org/agenda/2021/05/energy-transition-reliant-on-mining/>

Indeed, as this meeting demonstrates, **the United Nations and its many close partners will continue to be on hand to help Member States 'break new ground' in this vital area – ultimately helping to ensure a peaceful, more inclusive, and more sustainable future for all.**

Thank you.

END