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The Oil, Gas and Mining Industries and the 2030 Agenda: Partnerships and Participation to Accelerate Progress

A joint UNDP, IFC, IPIECA and ICMM side event summary

BACKGROUND

On Wednesday, 20th of September, UNDP, IFC, IPIECA and ICMM co-hosted an event at the sidelines of the 72nd Regular Session of the United Nations General Assembly in New York. The event examined the role of the oil, gas and mining industries in the 2030 Agenda, with a particular focus on how partnerships and participation can help accelerate progress and enhance these industries' contributions to the Sustainable Development Goals (SDGs).

The event consisted of a combination of short presentations, panel sessions and 'rapid-fire' style interventions. Over 100 guests attended the event including government delegates, members of the oil, gas and mining industries, representatives from international organizations, financial institutions, NGOs, civil society, academics and think tanks, from Asia, the Middle East, Latin America, Africa, North America and Europe.

The main objectives of the event were to:

- Better understand the relationship between the oil, gas and mining industries and the SDGs, including examining the challenges the industries might face and how to address them.
- Explore how multi-stakeholder partnerships and participation can enhance industries contributions to the SDGs.
- Generate recommendations for partnerships and actions that will support implementation of the SDGs in the oil, gas and mining sector.



The event included an exchange amongst 20 different presenters spanning all sectors, presented in 3 segments.

1. A panel featuring the event co-hosts provided the broader context of the 2030 Agenda and the importance of the private sector engaging with governments and other stakeholders to contribute to the SDGs. The panel highlighted new research, including key findings and messages from the UNDP-IFC-IPIECA joint report “[Mapping the Oil and Gas Industry to the SDGs: An Atlas](#)” and forthcoming research by ICMC and the World Bank on socio-economic progress of countries dependent on minerals, where the metrics used are aligned with 11 of the 17 SDGs.

The Atlas aims to enhance understanding of the relationship between the SDGs and the oil and gas industry, including how positive contributions can be maximized and negative impacts avoided or mitigated. The report highlights that the goals can be integrated into core business activities; that there is a business case for taking action; and that coordination and partnerships with other stakeholders will be essential to optimizing the sector’s role.

2. A second panel provided further views from industry, government and civil society on the relationships, their sectors and the SDGs. Highlights included that:
 - Business, through the 2030 Agenda, have a legitimate role in sustainable development and will be held accountable for its performance;
 - Governments have the primary responsibility to set priorities and establish national plans to progress the SDGs;
 - The business case for the SDGs needs to be further sharpened to help move beyond CSR, and that companies are beginning to internalize the goals and define what roles they can play;
 - There is a need to consolidate and scale up transparency and accountability gains in the sector and for joint and proactive efforts from all stakeholders in support of extractives governance that support the SDGs;
 - The central link between the industries and climate change and the urgency of pro-actively contributing to solutions for net-zero GHG emissions to address climate change; and
 - The recognition of partnerships as a central approach to enhance the sector’s contributions to the 2030 Agenda.
3. A final panel presented several examples of how partnerships and increased stakeholder participation contribute to address a range of SDGs, including: reducing carbon emissions from global gas flaring and through investments in innovative technologies and energy solutions; reducing biodiversity, water and social impacts that can cause conflicts; curing common childhood diseases; and increasing access to clean and affordable energy.

CONSTRAINTS AND CHALLENGES IDENTIFIED

Throughout the different panel discussions, it was emphasized that achieving the SDGs is a question of optimization – i.e. ensuring synergies and managing trade-offs between the goals in order to achieve economic prosperity without compromising environmental sustainability and social equality and development. Participants in the room identified a series of constraints and challenges to optimizing the extractive industries’ contributions to SDG achievement, including:

- ***Different languages and perspectives around the SDGs*** - Governments, private sector and civil society have different perspectives and priorities and speak different languages when it comes to what sustainable development and the SDGs mean. There are also differences between global, national and local conversations. There is a need for mechanisms to help define common ground and priorities around the SDGs, and to clarify roles and responsibilities for taking action.

- **Governance deficit** - Policies, regulations and institutions do not sufficiently ensure sustainable development outcomes from mining, oil and gas industries.
- **Economic incentives not aligned** – For sustainable development to be fully integrated into the sector, there must be stronger economic incentives in place for both the private and public sectors. Financial products and systems that value sustainable development and allocate finance accordingly are still underdeveloped. Governments are worried about losing out on investments and revenues if they put in place strong sustainability requirements.
- **Short term views and fear of change** – Election cycles of governments and shareholder expectations on companies to deliver profits in the short term do not lend themselves easily to sectors which require long term thinking and solutions for sustainability and a transition to a net-zero emissions future.
- **Distrust** – There is a trust deficit in the sector. Communities and other stakeholders do not often trust that the industry will bring benefits and avoid negative impacts. There is also a lack of trust among all actors in working with unknown partners and organizations outside one sector.
- **The transformation of the energy system** is necessary to achieve the SDGs and the Paris climate agreement is central to the oil, gas and mining industries, but it is happening slowly. A significant shift in reduced GHG emissions is needed but this is constrained by a combination of factors, including technology, ideas, enabling policy, strong business case and economic scalability. Strong partnerships can help address these constraints.
- **A low carbon future will be more mineral intensive**, and most of the growing demand for minerals will be supplied by developing countries. New models for more sustainable and less carbon intensive mining are urgently needed.
- **Partnership constraints** – Partnerships can deliver significant progress (e.g. EITI, OGP) and hold strong potential for producing sustainable development outcomes - but they are not a panacea. Bringing together a larger number of partner organizations can lead to ‘rule by lowest common denominator’ with the risk of producing only incremental, slow change.
- **Difficulty measuring the sector’s impacts on the SDGs** - There is currently limited understanding and relevant tools for measuring business and industry impacts on SDGs.

RECOMMENDATIONS GENERATED

Participants identified several opportunities and recommendations to address the constraints identified, focusing especially on how collaboration and participation could help accelerate change and progress, including:

- **Adopt integrated approaches to SDGs** - The needs of the SDGs are significant and the goals are complex and interlinked. Partnerships are critical to leverage each other’s strengths, resources and expertise and to achieve necessary scale. Taking less ‘siloeed’, more integrated approaches allows for more innovation and more enduring outcomes. This can include pursuing holistic partnership approaches at landscape or territorial level around an extractive operation, engaging the full value chain of actors and ensuring that associated infrastructure and broader “resource corridors” contribute to sustainable development.

- **Ensure participation** – To achieve progress and long term durable outcomes such that no one is left behind, it is important to ensure participation of relevant affected stakeholders. Innovative technologies and solutions and enabling public policy frameworks can facilitate these efforts.
- **Measure results and impact** – There is value in defining meaningful tools and results measurement frameworks focused on resource rich countries and extractive industries, including certification and standard systems. Such tools need to align with and support wider local, national or global efforts to measure progress on the SDGs. There is an opportunity to develop context specific indicators with communities, authorities and other relevant stakeholders.
- **Build and articulate the business case** for taking action on the SDGs, including demonstrating returns on investment, cost savings and competitiveness improvements to ensure a race to the top, not to the bottom. This should be complemented with incentives by policy makers and the financial sector to drive and reward sustainability. There is an opportunity for dialogue and cooperation to jointly define shared business case scenarios and risk frameworks.
- **Integrate the SDGs into national strategies for natural resource management** and relevant policies and regulations. This can provide a basis for developing more specific plans for extractive industries' role in SDGs. Likewise, the role of extractive industries should be integrated into national SDG planning and roadmaps.
- **Encourage finance industry participation** – The finance industry has a key role to play in advancing the SDGs. More and faster progress is needed to define and scale up financial products and mechanisms that value and reward sustainability in the sector (e.g. around conservation, water and energy efficiency, etc.)
- **Institutionalize collaboration and make it systematic**, especially at local and country levels, by putting in place robust enabling frameworks for dialogue and cooperation. E.g. discussions around how oil, gas and mining can feed into and support local economic development plans would be important. There can be lessons learnt from the National Action Plans on Business and Human Rights in terms of establishing a process and joint planning framework.
- **Balance speed vs incrementalism** – The 2030 Agenda is pressing; to ensure ownership, scale and sustainable outcomes, participation and partnerships are essential. However, these take time to build. Progressive industry actors can help ensure advancement by communicating to governments and other stakeholders that establishing policies that increase SDG contribution of the sector are acceptable.
- **Build trust** – Working in partnership across sectors towards a concrete outcome can create improved understanding among stakeholders, legitimacy, transparency and better quality of information. This can help address the trust deficit in the sector.

TABLE 1: EVENT SPEAKERS – SHORT PRESENTATIONS

NIK SEKHRAN – Director, Sustainable Development, UN Development Programme, spoke on Agenda 2030, and how UNDP can identify good practices and inspire actions for the role of oil and mining companies

BRIAN SULLIVAN – Executive Director, IPIECA, spoke in collaboration with UNDP and IFC on the Atlas, mapping the relationship between the oil and gas industry and SDGs, – a starting point for the oil and gas industries’ role in a transition to a net zero emission future, and what the possibilities are to collaborate across stakeholders to achieve the SDGs.

AIDAN DAVY – Chief Operating Officer, International Council on Mining and Metals, introduced new research from ICMM to better understand socio-economic progress of countries dependent on minerals, where mining has been a vehicle to promote socio-economic progress.

LANCE CRIST – Global Head of Natural Resources, International Finance Corporation, described how IFC works with the private sector to address global problems, such as increasing access to energy and infrastructure. These efforts help companies and governments make progress on achieving the SDGs.

CHARLOTTE WOLFF-BYE – Vice President Sustainability, Statoil, spoke about how a company can take stock of its SDG performance, identify relevant SDGs where it can make a difference, implement with partners and the challenge of measuring development outcomes.

CLAIRE LARNER – Director of External Relations, Newmont, addressed the company’s mapping exercises and process to prioritize where it could make a difference: health and well-being, gender equality, water and sanitation, decent work, and economic growth, while flagging the remaining challenges with measuring outcomes and impact.

ERICA WESTENBERG – Director of Governance Programs, Natural Resource Governance Institute (NRGI) highlighted the urgency of 2030 and the need for more proactive roles and voices, describing the Atlas a practical call for partnership while also recognizing the need for meaningful measurement.

BEATRIZ MEJÍA ASSERIAS – Directora de Coordinación Interinstitucional, Government of Colombia gave an example of how government can encourage companies to move beyond development as corporate social responsibility to show industry opportunities within the SDGs as part of core business.

INGRID-GABRIELA HOVEN – Director General Global Issues, Sector Policies and Programs, Germany Ministry for Economic Cooperation and Development (BMZ) addressed the challenge of working towards economic prosperity within the limitation of 2 degrees, and the critical need to translate the issues into policy incentives to achieve results, giving the example of carbon taxes.

KHALED A. MAHDI – Secretary-General of General Secretariat of the Supreme Council for Planning and Development, Government of Kuwait framed the SDGs implementation as an optimization problem of multiple goals: sustainability, economic growth and saving the planet, and described three challenges to SDG implementation: language, economic incentive and awareness raising.

EVENT SPEAKERS – “RAPID INTERVENTIONS” EXAMPLES OF PARTNERSHIPS

BJORN HAMSO – Program Manager, Energy & Extractives, World Bank - *Global Gas Flaring Reduction Partnership (GGFR)*

DR. PRATIMA RANGARAJAN – CEO, OGCI Climate Investments - *Oil and Gas Climate Investments (OGCI)*

DANIELE LA PORTA – Senior Mining Specialist, World Bank - *The Growing Role of Minerals and Metals for a Low-Carbon Future*

FRAZER LANIER – Environmental and Social Risk Management (ESRM) associate, Citigroup - *Cross Sector Biodiversity Initiative (CSBI)*

MARIELLE CANTER WEIKEL – Senior Director, Responsible Mining & Energy, Conservation International - *Partnerships around biodiversity and adaptation*

KAVITA PRAKASH-MANI – Food and Markets Practice Leader, WWF - *Water stewardship*

JEFF HANMAN – Vice President, Corporate Affairs, Teck - *Improving child health with zinc*

MANOELLE LEPOUTRE – Senior Executive Vice President, Civil and Societal Engagement, Total - *Access to energy “Awango by Total” Project*

OSCAR FRANCISCO RADA SANTIVAÑEZ – Supervisor of Participatory Monitoring Programs, ProNaturaleza - *Participatory Environmental Monitoring for Oil, Gas and Mining – Peru LNG Project*

DR. HUBERT FLEMING – Group Head, Water Management, Anglo American - *Catchment-based approach to water management*