FUTURE ACTION: Response to the consultation on Mineral Resource Governance – UNEP

Resource-rich countries, including India, mis-utilise their natural resources. Their mineral extraction activities lack proper regulation making it a matter of national concern. Today over 115,000 mines operate illegally as against nearly 10,000 legitimate leases in India. Only a third of the legal mines report to the Indian Bureau of Mines[[1]](#footnote-0), and only a tenth of them are inspected. The value of mineral wealth is severely compromised due to illegal mining that results in huge revenue loss at the regional levels. Recently, the Comptroller and Auditor General (CAG) of India in its report mentioned a loss of more than 15 billion Indian rupees in the state of Tamil Nadu[[2]](#footnote-1) alone. This phenomenon is not unique to India alone. In 2016, it was estimated that about 28% of the gold mined in Peru, 30% of gold mined in Bolivia, 77% in Ecuador, 80% in Colombia, and 80% to 90% in Venezuela was produced illegally[[3]](#footnote-2). The South African Human Rights Commission estimates that there are between 8000 and 30 000 illegal miners operating in South Africa[[4]](#footnote-3). It is therefore critical for the United Nations to address this global loss. We highlight some of the key principles which are essential in this perspective.

1. **Principle of intergenerational, intragenerational and inter-species equity**

The principle of intergenerational, intragenerational and inter-species equity must be implemented to preserve the integrity of the ecosystem. Natural resources are a shared inheritance and should therefore be safeguarded for the future generations. The existing value of non-renewable resources during extraction should be saved as a Future Generations Fund for this purpose. The present generation should also have an equitable access to resources and its benefits while conserving it for the future generations.

It is critical to understand that the inheritance of resources is not limited to human species only but includes non-human species and the entire ecosystem as well, which is fundamental to sustainability of resources. This will result in increased attention towards valuing and protecting the ecosystem and benefit everyone from an equitable share of the wealth. Ecosystems are getting disturbed beyond their resilience, like the river ecosystem is getting hugely affected, so are the wildlife corridors. The glaring anachronism in terms of neglect of mapping human, botanical, zoological and atmospheric resources is huge; the result of which is-these overlying resources are not accounted for and treated as overburden by companies and government. The whole process is therefore damaging the huge potential of community and undermining the wealth of the ecosystem. Mechanisms like paying the Net Present Value, compensation, resettlement and rehabilitation do not reflect the true long-term value of the ecosystem services which the terrain and the plant and animal resources provide, nor does it do justice to local communities. The future must make these important elements in the design.

1. **Rationalising and regularization of mining activities:**

In the context of mining, mineral deposits are available to a limited extent no matter how huge the resource is and ideally need to be endowed for posterity. The use of mineral resources to prop up the economy must be reflective of the huge input of other critical resources into production stream – e.g. inputs for 1000 kg primary aluminium production requires >5000 kg of bauxite ore, 13,000 litres of fresh water, 27,500 litres of seawater, 15,711 kWh of electricity consumption. It clearly depicts that mining of a mineral is not limited to the mineral alone, it is a highly intensified resource use of other resources or raw materials. Thus, it is ecologically unsustainable to promote indiscriminate production.

Opening of several new areas for mining involves severe and widespread environmental consequences and social discontent. The unacceptable situation of illegal mining must be put to an end. Irrational exploitation of differing grades of ores for short term gains has to be restrained. Illegal mining of minor minerals particularly of riverbed across the country have been destroying the river systems and needs urgent attention. This calls for a total moratorium on new leases and ensuring “zero-tolerance”. Enhancing the efficiency of the mining activities and generating more resources from “brown-field” expansion rather than opening up new “green-field” areas has to be a high priority. Thus, there is an urgent need for strict limits to the quantum of production of mines and minerals.

1. **Effective implementation of Free Prior Informed Consent (FPIC) and Total Transparency**

While the world over, and UN’s own mandate seeks FPIC, the mining sector is clouded with crime, illegality and lack of proper data. In India, though there is a provision that mandates disclosure of information by law, rampant violation of this Section 4 under the RTI Act takes place in the mining sector. Such opaque practices of not putting adequate information in the public domain undermines the regulatory, transparent, and accountable mechanism of mineral governance thereby inhibiting fair monitoring. The mineral resource governance is at its weakest in India, as with several countries, with the mindless State- corporate nexus currently in action. Mandatory disclosure of information including financial disclosures at all stages of extraction, to some extent, will ensure some transparency at least to challenge the corrupt practices and hold the corporations and the government accountable.

1. **Communities, particularly women, as the key stakeholders in the mining process:**

Community ownership of minerals and their participation in true spirit will be significant for sustainability of mineral resources and its wealth distribution. To protect the rights of the local communities, particularly the right to consent, the principle of Free, Prior and Informed Consent (FPIC) must be adhered. The greatest prejudice is when the owners and the guardians of the natural resources are hardly consulted while framing any policy, law, project, or programmes, that affects them. The women further remain excluded and invisible in any decision-making processes and governance structures even though they are at the fore-front in safeguarding the natural resources over generations. It is essential to strengthen their voices and create opportunities for them to actively participate and represent at all levels that will help in creating a sustainable ecosystem.

We sincerely hope that our submission will help steer future actions on the implementation of the UNEA resolution on mineral resource governance. These inputs represent the voices from the mining affected communities and is presented as an urgent call to action since the government in India is aggressively catering to the interests of the mining corporations while the interests of the affected communities remain unheeded. To ensure distributive justice to the entire ecosystem for the present and future generation, a fair mineral resource governance mechanism must be in place.

We also want to place on record our endorsement of Goa Foundation’s [demands](https://docs.google.com/document/d/1VxIA_Wait3S5leRhSarB9nB29zNiZch4/edit) submitted to UNEP. In addition, we, the members of Mineral Inheritors Rights Association[[5]](#footnote-4), would like to submit our call to action as response to the UNEP’s consultation on Mineral Resource Governance and would be very keen to enable steering these developments.

**Contact Details**

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1. Regulatory body [↑](#footnote-ref-0)
2. <https://www.thehindu.com/news/national/tamil-nadu/comptroller-and-auditor-general-picks-holes-in-tamil-nadu-governments-management-of-minerals/article32624665.ece> [↑](#footnote-ref-1)
3. <https://www.wri.org/blog/2020/09/covid-19-rising-gold-prices-and-illegal-mining-threaten-indigenous-lands-amazon> [↑](#footnote-ref-2)
4. <http://www.mlia.uct.ac.za/news/illegal-mining-problem-and-possible-solutions-richard-cramer> [↑](#footnote-ref-3)
5. Mineral Inheritors Rights Association (MIRA) is a coalition of diverse civil society groups and networks in India working to ensure democracy, social justice, equity, transparency, and accountability in the extractive sector. MIRA is affiliated to the global Publish What You Pay (PWYP) coalition. [↑](#footnote-ref-4)