PDAC
PROSPECTORS & DEVELOPERS ASSOCIATION OF CANADA

WORLD ECONOMIC FORUM
COMMITTED TO IMPROVING THE STATE OF THE WORLD

PDAC-WEF International Mines Ministers Summit 2020
The Mineral Industry of the Future
Summit Report

Bank of Montreal
100 King Street West, 68th Floor
Toronto, Ontario

Prepared by

IGF
INTERGOVERNMENTAL FORUM on Mining, Minerals, Metals and Sustainable Development

SUMMIT OVERVIEW

The 2020 International Mines Ministers Summit was held on Monday, March 2, 2020, at the Bank of Montreal Building in Toronto, Canada. This was the fifth annual International Mines Ministers Summit (IMMS), and it was held during the Prospectors and Developers Association of Canada (PDAC) Convention. Twenty government leaders responsible for mining in their countries—representing four continents—joined leaders of industry and civil society to take part in the 2020 Summit. The Summit was co-hosted by the World Economic Forum and PDAC under the theme *The Mineral Industry of the Future.* Discussions focused on the role of governments in managing the transition to a low carbon economy, and how they can use the instruments at their disposal – policies, laws, regulations, outreach, responsible sourcing initiatives – to ensure that the mineral industry's contribution to the low carbon future is good for the environment, for communities, for companies and for countries. The meeting followed the Chatham House rule.

Mining will be central to the green energy transition

The 2020 Summit took place at a crucial moment for the industry, with growing international consensus that the climate crisis is one of the most urgent challenges facing governments, communities, companies and individuals. All are faced with the pressing need to find ways of both reducing greenhouse gas emissions and adapting to increasing temperatures, changing rainfall patterns, more intense storms, and rising sea levels.

Participants stressed that the climate crisis is here, that the transition to a low carbon economy is inevitable, and that addressing the climate crisis and being part of the solution should be a core concern of the industry going forward. Reducing greenhouse gas emissions and getting to net zero emissions by 2050 will require significant changes to the way that we produce and consume energy, and the mining sector has an important role to play in both of these areas.

Participants recognized that the mineral industry will play a key role in efforts to transition to a low carbon global economy; the production of the existing technologies required to facilitate this shift, namely existing technologies like wind turbines, solar panels, electric vehicles and batteries for energy storage and potential energy sources linked to hydrogen and platinum, will require a range of critical mineral and metal inputs. In the absence of any dramatic technological advances or significant increases in the use of recycled materials, many of these inputs will come from the minerals sector, and will involve the whole mineral value chain, from exploration and production to refining and processing. In addition to the material inputs the sector can provide to the low carbon economy, participants noted the pressing need for mining operations – a significant source of global energy use and greenhouse gas emissions – to work harder in transitioning toward cleaner energy sources and mining practices.

Many governments see the transition as significant opportunity, with the shift toward net zero carbon emissions providing an opening for countries to increase their economic competitiveness. Many also saw the mining sector supporting an economic transition in developing countries as well as an energy transition. With significant projected increases in demand for the metals and minerals central to green energy technologies, participants noted that there could be considerable benefits, in terms of government

revenues, jobs and investment. There is also a strong need in many countries to better understand their own reserves of these strategic minerals and metals, and how they can supply the inputs of this transition.

Private sector support for this transition was underscored; it was made clear that shareholders and companies were supportive of the transition and would provide the necessary funding and investment to facilitate the shift toward 'green' mining, while continued investments in so-called 'brown' mining were likely to see their financing decrease. The importance of ensuring that the extraction, processing and trade of these minerals is both responsible and transparent was also noted, which will help to support the social license to operate of mining operations.

While a rapid transition is necessary, there was broad agreement around the room that the transition has to happen in a thoughtful and pragmatic way, one that works for the climate, for workers, for communities and for governments. Achieving this balance, and communicating it effectively to the public to garner their support, will be key challenges moving forward.

We must get better at communicating the role of mining in the energy transition

There was broad agreement from participants that there is a strong need to better communicate to the public, particularly young people, the indispensable role that mining plays not just in the modern world, but also in the transition to a low carbon future. Public opposition to and protest against mining continues, in large part due to the sector's mixed record on environmental and social concerns. Addressing these concerns through improved management, regulation, accountability and traceability – and communicating positive progress – will help the sector better contribute to social and economic development at the community and national levels. At the same time, effectively communicating the important role that mining will play in the production of green energy technologies could help to further improve the mineral industry's image in the public sphere.

There was acknowledgement among participants that communicating the role of mining in the low carbon transition will need to be more sophisticated than it has been in the past, and that it should focus both on the role that mining will play in providing the solutions required to help the world de-carbonize, and also in the generation of benefits to communities and countries. This messaging will have to come from both mining companies and governments, and must be backed by concerted and successful efforts to improve the environmental and social performance of mining operations. Many countries have proven that mining can be a crucial tool for eradicating poverty and improving quality of life; there is a need to ensure that, in providing the mineral and metal inputs for the low carbon economy, the mining sector reframes the prevailing narrative of countries being rich under the ground but poor above it.

For widespread support, the transition must be just and responsible

The necessary transition to a low-carbon future will require significant changes for the global economy. However, the assembled ministers agreed that the global economy can continue to thrive despite this radical shift; the key will be ensuring that the transition is just and prosperous, and that no one is left behind. A just transition will require working across stakeholders groups – governments, companies, civil

society, workers, communities, indigenous groups – to make sure that the perspectives, needs and interests of all are integrated in transition plans. A failure to do so will not only mean stranded assets, but also stranded people. If planning for the transition does not include the people most affected, it will likely be rejected by these people.

There is a considerable need to invest in re-skilling or upskilling those workers most affected by the transition. This will help to ensure that those currently at work in the extraction of coal and fossils fuels have the tools and capacities to enable them to shift from their current jobs toward jobs that support the extraction of critical minerals. It was noted that this was particularly important in developing countries; in these contexts, companies and governments have to work together to ensure that the local population – including both workers and communities – continue to have a meaningful role in the extractive industry as it changes, and fully benefit from a country's resource wealth. Particular attention in many developing countries should be given to increasing the skills of women and underemployed young workers; it was acknowledged that there is an opportunity for the mining sector to address broader societal challenges around inclusiveness and equality should mining activities increase with the green energy transition. A number of organizations are working on the changing nature of work in the industry, research that should be supported and used when rethinking government policies around this shift.

The need for a just transition extends to countries as well; it was noted that for many developing countries, there is still a strong reliance on fossil fuels for energy, and in which coal mining remains a key part of the sector. In these countries, the challenges are going to be different. The transition to low-carbon energy sources in these countries cannot be expected to be quick or easy, and these countries should not have to choose between clean energy and no energy, or between clean energy and jobs; for many, their energy infrastructure and jobs remains strongly linked to fossil fuel sources, and they will need international support to shift toward greener alternatives. It was also noted that for those countries that have historically been dependent on fossil fuel production, there are considerable lessons that can be drawn on to help ensure that the same mistakes are not made when transitioning into mining in support of the low carbon transition.

Close

The mineral industry faces a time of considerable change. Technological advances are reshaping the sector, while the urgent and necessary shift to a low carbon economy presents the industry with both the challenge of reducing its own emissions and the opportunity of providing many of the inputs needed to facilitate the transition. While the growing demand for minerals and metals provides economic opportunities for resource-rich countries and private sector entities alike, significant challenges will likely emerge if the climate-driven clean energy transition is not managed responsibly and sustainably.

Governments understand that they can help to manage this transition, using the instruments at their disposal – policies, laws, regulations, outreach, responsible sourcing initiatives – to ensure that the mineral industry's contribution to the low carbon future is good for business and employees while also being positive for the planet and its people.

The urgent need to take action on the climate crisis means that the clock is ticking, and there is a lot that stakeholders, working together, will have to get right. Real collaboration among governments on how to best face these challenges will be crucial.

Together, they noted, we can do better.

Annex 1: Delegate List

Afghanistan	H.E. Enayatullah Momand	Minister of Mines and Petroleum
Angola	Hon. Dr. Jânio Victor	Secretary of State Geology and Mines
Burkina Faso	H.E. Ourmarou Idani	Minister of Mines and Quarries
Canada	Hon. Seamus O'Regan	Minister of Natural Resources
Chile	Señor Baldo Prokuriça	Minister of Mining
Côte d'Ivoire	Mr. Jean Claude Kouassi	Minister of Mines and Geology
Ecuador	Mr. Enrique Gallegos	Vice Minister of Mines
Egypt	Eng. Tarek Ahmed Abdelkader Elmolla	Minister of Petroleum and Mineral Resources
Ghana	Hon. Kwaku Asomah-Cheremeh	Minister of Lands and Natural Resources
Ireland	H.E. Seán Canney	Minister of Natural Resources
Kazakhstan	Mr. Ruslan Baimishev	Vice-Minister of Industry and Infrastructure Development
Morocco	Mr. Aziz Rabbah	Minister of Energy, Mining and Sustainable Development
Namibia	Hon. Tom Alweendo	Minister of Mines and Energy
Nigeria	Arch. Olamilekan Adegbite	Minister of Mines and Steel Development
Peru	H.E. Susana Gladis Vilca Achata	Minister of Energy and Mines
Serbia	H.E. Mr. Aleksandar Antić	Minister of Mining and Energy
South Africa	Hon. Gwede Samson Mantashe	Minister Mineral Resources and Energy
Sweden	H.E. Ibrahim Baylan	Minister for Business, Industry and Innovation
USA	Mr. Francis Fannon	Assistant Secretary of State for Energy Resources
Zambia	Hon. Richard Musukwa	Minister of Mines and Mineral Development

Annex 2: Invited Guests

Alamos Gold		
Bank of Montreal	Ilan Bahar	Managing Director and Co-Head, Global Metals and Mining Group
Bank of Montreal	Scott Brison	Vice-Chair, Investment and Corporate Banking
Canadian International Resources and Development Institute (CIRDI)	Jaime Revenaz Webbe	Director, Program Delivery
Development Partner Institute	Peter Bryant	Co-Founder
Dundee Precious Metals	Rick Howes	CEO
Extractive Industries Transparency Initiative (EITI)	Mark Robinson	Executive Director, Plusmining
Golden Valley Mines Ltd.	Glenn Mullan	CEO
Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development	Greg Radford	Director
International Council on Mining and Metals	Tom Butler	CEO
Pan American Silver	Michael Steinmann	President and CEO
PDAC	Felix Lee	President
World Economic Forum	Jörgen Sandström	Head of Mining and Metals Industry