

3<sup>rd</sup> OECD Meeting of Mining Regions and Cities

- Pre-conference -

Quality of Life in Mining Regions and Cities

Tuesday 11<sup>th</sup> June, 2019

Skellefteå, Sweden

Record of meeting

## (1) Welcome and introductions

The meeting started with welcoming words from the **OECD and MIREU** providing background on their work as well as setting the framework for the day.

### OECD

The OECD started providing some **context for this global mining regions and cities initiative**. Specific to the theme of the pre-conference: **Quality of life and well-being**, the OECD also elaborated on **preliminary research on well-being challenges and opportunities in mining regions** and **proposed the development of a new set of indicators to measure well-being of mining regions**.

The starting point for the project work is implementing better policies to improve economic development and well-being outcomes for regions and cities that are specialised in mining and resources. The evidence clearly shows these regions have characteristics and growth dynamics that are different to national economies, and in some critical areas (e.g. infrastructure, skills, housing, public services) policies designed at national and sub-national levels policies are not matched to their needs and circumstances. **There is a clear rationale for developing a global platform** to share knowledge, peer review, and provide recommendations toward better public policies **for mining regions and cities**.

Overall the OECD Mining Regions and Cities Initiative has three objectives:

1. **Develop toolbox with guidance and evidence** for regional development in a mining and extractives context for industry, national and sub-national governments, and non-government organisations to cooperate on addressing shared challenges.
2. **Produce a series of regional case studies** that deliver specific recommendations and support to implement better regional development policies in a mining and extractives context.
3. **Develop a global platform for mining regions and cities** through events and peer-review that enable knowledge sharing, advocacy and dialogue between public/private sectors and local communities on better policies to enhance regional productivity and wellbeing.

The project covers three priority themes to guide the dialogue, analysis, and recommendations. They include:

- **Productivity, jobs and economic diversification** - Policies that enable the development of the mining industry, that support productivity and also strengthen the supply chain linkages around mining activities and support economic diversification and transition efforts.
- **Quality of life and wellbeing** - Policies that enhance quality of life and address inclusive growth and well-being challenges that affect regions and cities with a high degree of dependency on mining and extractive industries.
- **Sub-national governance and fiscal arrangements** - Sub-national governance and fiscal arrangements that address the complex relationships between national and sub-national governments, the mining industry and community stakeholders in relation to issues of economic development and wellbeing.

### MIREU

MIREU gave an overview of their work as a European network of mining and metallurgy regions. They are dedicated to improve the collaboration between regions to ensure sustained and sustainable supply of raw materials as well as to improve the public awareness for the need for raw materials and the acceptance of mining in everyday life. MIREU does this through engaging different stakeholders

including policy makers at the European Commission, national governments, regional authorities, and local communities. One of the MIREU's objectives is to develop pan-European social responsibility standards for the mining industry; redefine the role of regional regulatory authorities regarding Social License to Operate; and provide concrete tools for all affected stakeholders to improve transparency and communication, engaging communities, with the ultimate goal of building trust.

In the light of quality of life in mining regions is about allowing mining regions to capture the benefits and create a positive value for the regional and local stakeholders as well shareholders. MIREU does this through seeking synergies between regional development programmers and strategies such as smart specialization, establishing operational synergies between R&I investments (public and private) and the ESIF funds.

### **The pre-conference**

The pre-conference in Skellefteå specifically focussed on: **Quality of Life and well-being in mining regions and cities.** Basis for the discussions was the increasing recognition that the extraction of natural resources **needs to generate improved well-being for mineral and energy producing regions.** Increased well-being is needed to secure social acceptance of mining projects and to maintain regional competitiveness and future prosperity. Research shows that mining regions often struggle with specific well-being dimensions. For instance, though mining often improve income levels and employment in remote places and is important driver of national growth, the rapid growth in employment and population can put pressure on local infrastructure and housing. Other impacts emerge once resources are exhausted or have become uneconomical to extract, often resulting in unemployment and abandoned infrastructure, as well as environmental legacy issues.

#### **In this context, the objectives of the pre-conference were:**

- To strengthen and expand a network of mining regions and cities that can provide a platform for knowledge-sharing, peer review, and action;
- Manifest and deepen the partnership between the OECD mining initiative and the MIREU projects, linking MIREU participants with international stakeholders;
- Based on the OECD well-being framework, develop a concept for internationally comparable indicators tailored to well-being in mining regions and cities
- Identification of policy lessons and leading practices to enhance quality of life for mining regions

#### **The following questions were set out to guide discussion during the day:**

1. What do you see as the most important issues in regards to the well-being of regions and cities specialised in mining and extractive industries? And how could they be measured?
2. How could the OECD present and analyse this data to make it meaningful for decision-makers in mining regions and cities?
3. What do you think is the right scale to measure quality of life? What do you see as the main policy gaps to improving well-being of people in mining regions and cities?

### **(2) Leveraging data and analysis to improve well-being policies in mining regions**

The discussion evolved around the proposal to develop indicators for well-being in mining regions and cities. Participants demonstrated a great interest in the topic and confirmed the need for local level data. They saw the main benefit in examining and monitoring progress in well-being dimensions and gathering an empirical basis to better tailor policies and communicate results.

In the discussions, the following points were raised by the participants:

**Need to define key characteristics – filter regions on key criteria to enable meaningful comparisons and build clusters**

- Population density
- Size of the city
- Size of the mining sector
- Indigenous population
- Level of accessibility (cost)
- Level of remoteness
- Population density
- Type of community (existing or new, long-distance commuting)
- Mining life cycle

**Dimensions/ indicators that are needed**

- Income – inequalities – mining & non-mining, men & women, Indigenous and non-Indigenous, cost of living
- Employment - % employed in mining, inequalities between groups, vulnerability to automation and technology (occupations), measure of diversification
- Housing – median income/ housing cost
- Environment – other industries (tourism, fisheries, aquaculture, indigenous culture – can increase the land use risk profile)
- Accessibility – transport, accessibility (to city), water and power, sanitation
- Social connections – measures of demographic mobility
- Subjective well-being and culture – sense of place, leisure activities

**Summary: Setting a framework for future work**

- Purpose and value – common pool of knowledge for regions and cities specialised in mining
- Audience – decision-makers in mining regions (primary)
- Scope – take things like OECD wellbeing framework and adapt to needs of mining regions, capture current states of well-being as well as ways to secure the well-being of future generations
- Role of the OECD – external, objective actor that provides an international forum for exchange
- Future scenarios as well as the state of play.

**(3) Identifying global leading practices to harness opportunities**

Session 2 had the objective of identifying leading practices on improving well-being in mining regions and cities. Participants were asked to share examples related to the well-being challenges according to three sub-themes:

**A) Environmental issues**

**Challenges:**

- More transparency and data on environmental impacts of the mine
- Traceability and “Green Labelling” of products
- Clean and green energy can also have drawbacks. e.g. the windmills are not solution in reindeer herding areas, as they disturb reindeers

## **Project Examples**

- Spain - industry and the government collaboratively discussed how the companies are affected by the transition towards green energy and how this affects also the local and regional communities and economy.
- Some regions focus on public engagement in monitoring and or compliance in term of environmental processes.
- Finland; mining company treats also the local communities grey waters at their water treatment plant

## **Lessons:**

- Zero impact mining should be the baseline and the goal should be to add value
- It would be good to define regional environmental standards to guide mining
- Environment should be seen in the bigger picture of land use within the region

## B) Attracting, retaining labour and developing skills

### **Challenges** (often dependent upon point of the mining cycle):

- Thin labour markets
- Mismatches
- Ageing populations
- Demand is shifting (automation and technology)

### **Project Examples:**

- Specific mining education in Chile
- Stimulating local entrepreneurship in Morocco
- Managing transitions in EU/ Romania
- Reactivating post-secondary mining education in Andalusia, Spain

### **Lessons/ insights**

- Collaborative governance/ partnerships – industry, education and training, local municipalities
- Simulate local demand – procurement, local job requirements
- Attracting migrants – brand and marketing – based on clear understand about factors and who
- Shift local perceptions of jobs in mining – integrate with a local economy, building a value chain
- Promote innovation in education and training:
  - Work readiness and intensive support (particularly at beginning)
  - Preparing for the future of work – new learning models/ peer learning

## C) Service delivery and inclusiveness of growth

### **Challenges:**

- Lack of service provision reduces attractiveness for people to move to mining regions. These include:
  - Lack local education opportunities that fill the skills needs
  - Lack of qualified staff in public service (teachers and health care) due to high housing prices

- Lack in services for instance general practitioners or child care (especially important to make mining more inclusive to women)
- Defining the level of service provision that is realistic, expectation of people is that it is the same in metro and non-metro areas.

**Project Examples:**

- Sweden - University of Lulea, 6000 students, programs specific to mining – it also resulted in building an innovation cluster and businesses that in the end increase population and positively contribute to being able to supply other services as well.
- BHP/Australia – public/private cooperation to build houses, so that health care professions could afford housing and medical services supplied. Municipality made land available and BHP could build the houses.
- NT/Australia - Indigenous peoples running their own services

**Insights/Learnings:**

- Universities can function as divers of research and innovation, diversification of jobs and developing a local workforce
- Collaboration between public and private sector can be an opportunity to bridge service gaps and approach problems collectively.
- Many of the challenges are related and need to be addressed complimentary (housing – labour competitiveness - service provision)
- Apply collaborative governance and think ahead to anticipate challenges

**(4) Final Discussion and Next Steps**

Participants agreed on the importance to create a common pool of knowledge that serves policy makers dealing with well-being issues in a mining and extractive context at the sub-national level. The OECD will refine the ideas for developing indicators on well-being in mining regions further. This will be based on the discussion as well as the feedback received on the input paper. Participants are invited to send comments on the paper to the OECD Secretariat.