

DEEP DIVE III: FOREST-SMART MINING: NATURE-BASED SOLUTIONS OPPORTUNITIES FOR THE MINING SECTOR



JOHN DREXHAGE
Climate Advisor
World Bank Group



ELLYSAR BAROUDY
*Lead Natural Resource
Management Specialist*
World Bank Group



PIPPA HOWARD
*Director, Corporate
Sustainability*
Fauna & Flora International



FATOUMATA BINTA KEITA
MODERATOR
Operations Officer & Country Lead
**International Finance Corporation
(IFC)**



IAN HUDSON
*Head of Nature-Based Solutions
and Ecosystems*
Anglo American



THOMAS MADDOX
Global Director, Forests and Land
CDP



ELREE WINNETT SEELIG
*Head of Environmental, Social and
Governance for Markets and Securities
Services*
Citi

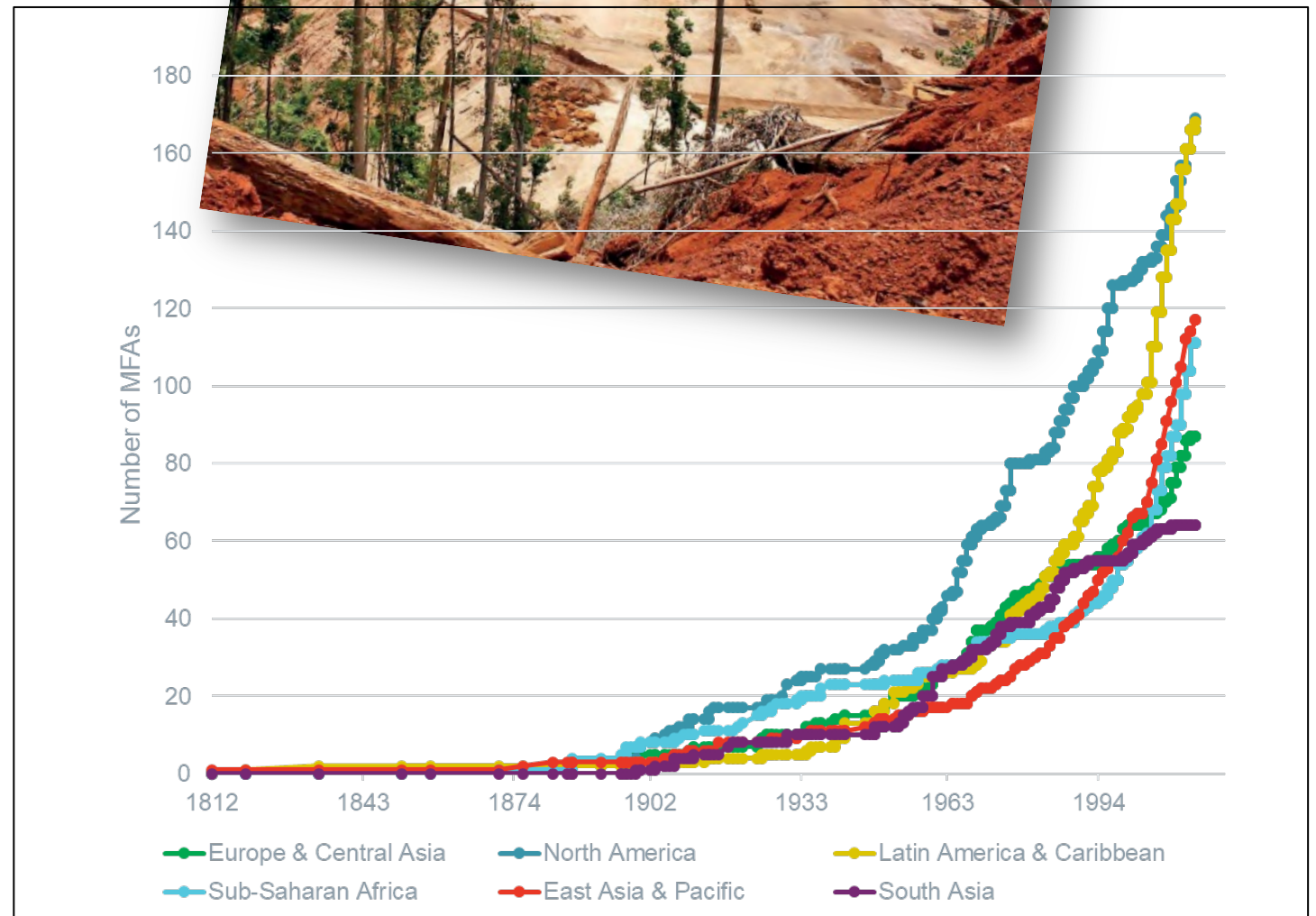
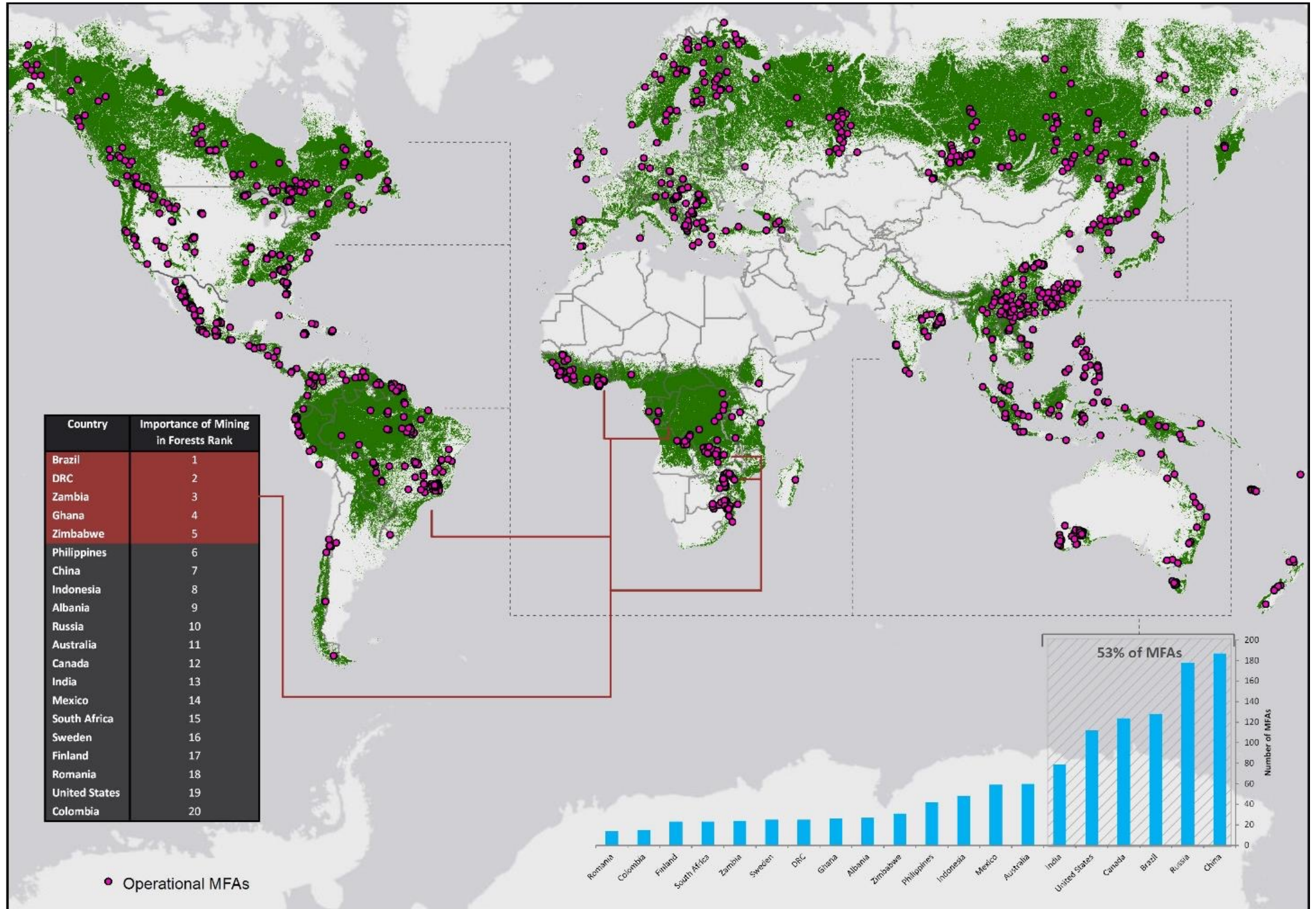
FOREST-SMART MINING:

Nature-Based Solutions Opportunities for the Mining Sector

May 12th, 09:40 a.m. - 10:35 a.m. EST

Pippa Howard, Director Corporate Sustainability, Fauna & Flora International

Context: Mining in forests





FOREST SMART MINING PHASE II

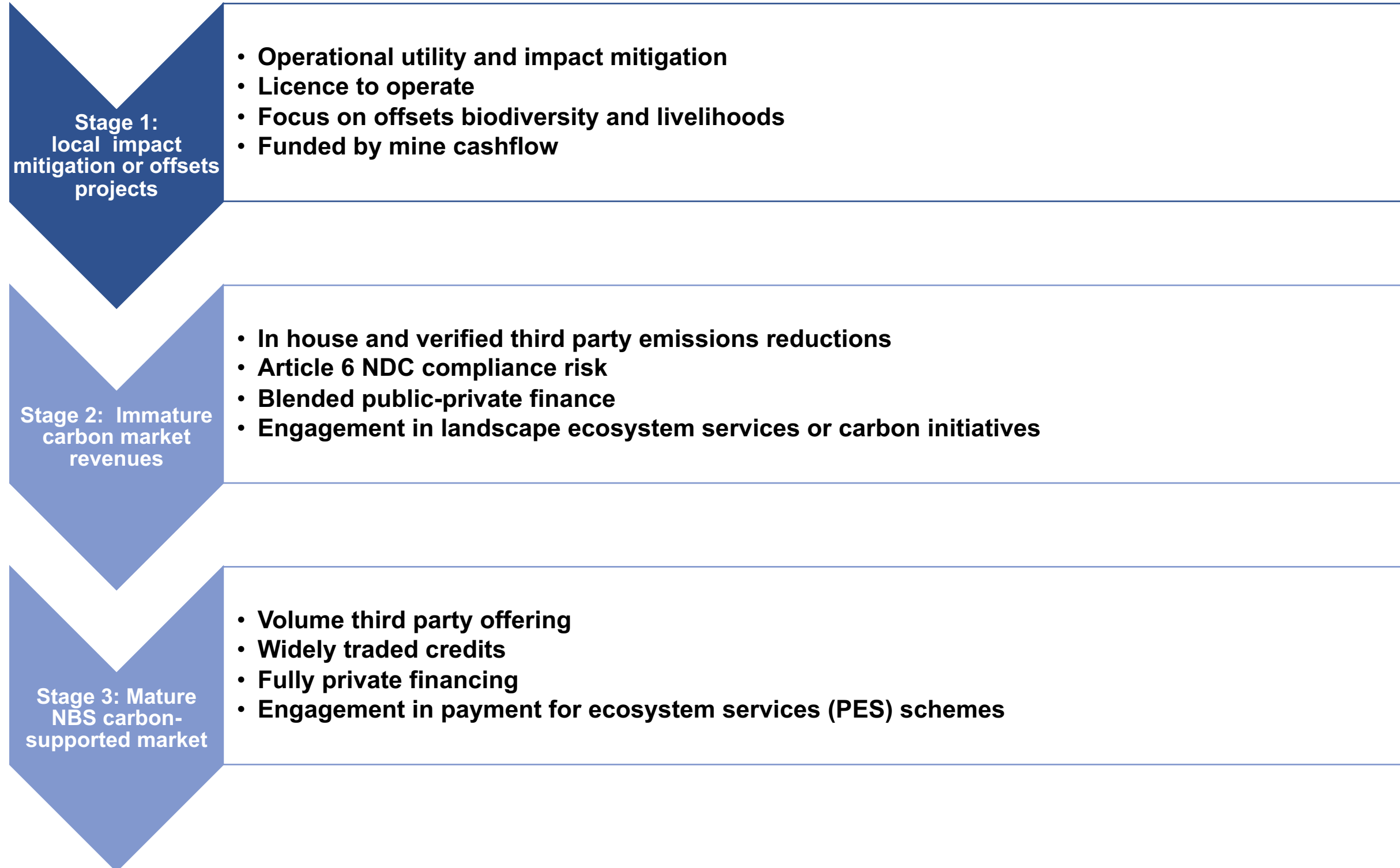
- **Objective:**
- *To identify and plan the development and application of relevant net emissions and operational impact mitigation tools which would promote and finance Forest-Smart NBS activities by large-scale mining’.*
- Engagement with mining sector and companies:
- *Current interest lies in practical application of NbS and how can NbS help in delivering impact mitigation (biodiversity, water, social, etc)*
- *Revised scope of work to respond to identified needs and interests: start with mine operation*
- Fauna & Flora International (FFI) and Vivid Economics

FOREST SMART MINING: PHASE II

- **Guidelines to incorporate NbS into mining projects**
 1. **What** are NbS and why are we talking about them now?
 2. **Why** NbS is relevant to mining projects?
 3. **How** to design an NbS according to NbS Principles?
 4. Identifying the **business case and financing** options for NbS activities
- *Pilot studies take the project sites through the four main steps in the guidelines.*
- *Technical Advisory Committee of experts in finance, mining and climate*



NBS RELEVANCE TO MINING



NBS IMPLEMENTATION

1

Mine operation:

- NbS activities contribute to known mining challenges and fulfilment of licensing requirements
- E.g. green infrastructure to manage pollution
- e.g. habitat restoration to meet reclamation commitments.
- e.g. biodiversity offsets to achieve no net loss commitments

2

Managing externalities:

- NbS activities employed to mitigate mine impacts but not mandated by the terms of the license
- e.g. nature based projects to voluntarily reduce carbon emissions, address deforestation, maintain water supply, implement green engineering, manage social impacts, or other non-mandatory activities

3

Going beyond

- NbS activities that are additional to normal mining operations
- e.g. integrated watershed management to deliver multiple benefits in the operating landscape (biodiversity, water, carbon, social etc.)
- Payment for ecosystem services (watershed management)
- REDD+ projects and contributing to NDC or Paris Agreement

NBS FINANCE

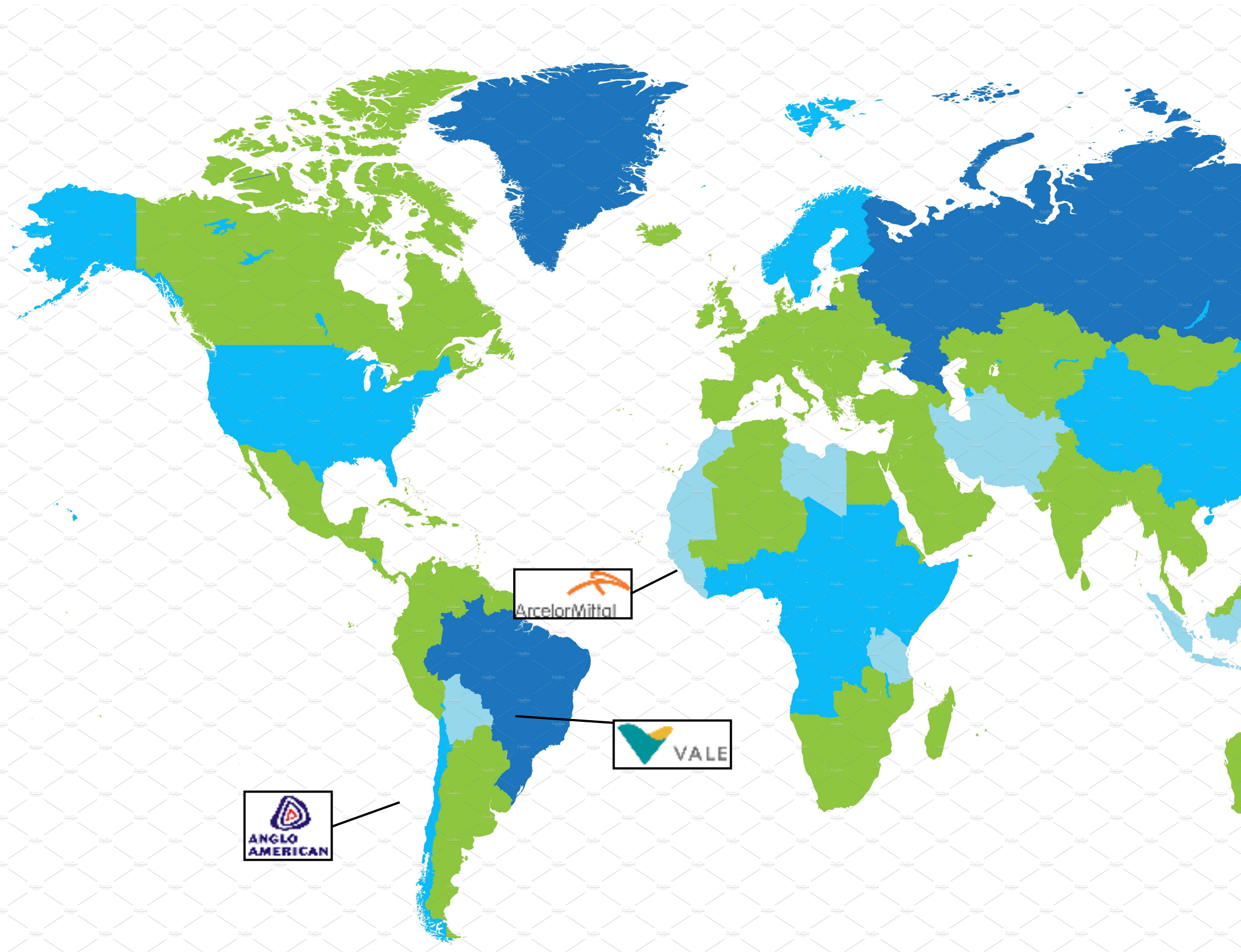
- Carbon and nature ‘targets’ require at least five-fold increase in NBS investment rate over next ten years, the majority private finance, likely through increasingly large-scale projects
- Mining is currently a minnow in biodiversity finance: around US\$1 billion, 1% of the global flow
- Globally, private sector contributes about 15% to NBS finance today, but will likely have to become the dominant source
- Biodiversity finance in mining sector currently comes from mining project cash flow, but in the future could (if sufficient scale) attract project finance
- Innovations in funding and financing are driving new markets in NBS
 - Financing mechanisms
 - Funding options
 - Blended financing
 - Conservation financing
 - Climate financing
- **Mining sector NbS activities will expand – especially with the uptake of nature positive objectives and the Task Force for Nature-based Financial Disclosures**





GOVERNMENT RECOMMENDATIONS

- Enabling policies for nature-based solutions
 - Recognise NbS
 - Financing options and opportunities
 - Applications
 - Land-tenure and natural resource use
- Integrate into expectations within ESIA and objectives led frameworks (NPI/NG/NNL)
- Climate adaptation and mitigation strategies to include NbS as part of responses to climate change
- Integrate into water and food security
- Integrate into Land degradation Neutrality strategies etc.



Case Studies to pilot the FSM NbS approach

1. Anglo American – Los Bronces, Chile
2. Arcelor Mittal – AML Liberia
3. Vale – Carajás, Brazil

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THANK YOU

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