

# THE CONGRESS OF LOCAL AND REGIONAL AUTHORITIES

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## Resolution 197 (2005)<sup>1</sup> on the regeneration of mining and industrial areas

The Congress,

1. Considering:

*a.* the final declaration of the Standing Conference of Local and Regional Authorities of Europe adopted by the Conference on Urban Regeneration in European Regions of Old Industry in Lille on 2 December 1983;

*b.* the European Urban Charter adopted in 1993, and the revised version adopted in 2005 by the Congress;

2. Having regard to the report on the regeneration of mining and industrial areas by Ms Svetlana Orlova (Russian Federation, R, EPP/CD) and Ms Jolanta Marcinkowska-Koranowicz (Poland, L, EPP/CD) on behalf of the Committee on Sustainable Development;

3. Considering that:

*a.* where a local community or region is affected by a mineral processing site, an agreed plan for the development of the community (or the region) is required, including agreement on how the costs and benefits of the activity are apportioned and how decisions are taken;

*b.* there is an inherent tension between local, regional and national rights to mineral wealth and the other benefits brought about by mining. People living near mines or adversely affected by them should be compensated for any inconvenience, hardship, or loss of opportunity suffered;

*c.* in many instances, communities do not receive a share of the equity of mining operations since their surface rights to land do not translate into rights over minerals. Despite the frequent problems of governments' limited means or lack of political will, a key challenge is to ensure that an agreed proportion of revenues is redistributed at the local and regional levels;

*d.* mining activities have a significant environmental impact. Managing these impacts more effectively requires dealing with unresolved issues of handling immense quantities of waste, developing ways of internalising the costs of acid drainage, improving both impact assessment and environmental management systems and planning effectively for mine closure;

*e.* since many mineral processing sites depend on specific deposits that have a finite life span, there is a need to focus on the position the community wants to be in when

the site closes. This requires defining desired end-of-life environmental, social, and economic conditions; identifying the resources required to achieve them; and clearly allocating the roles and responsibilities of each actor;

4. Concerned that:

*a.* much of the environmental damage caused by mining affects local communities and regions, most significantly in terms of their livelihoods and health; this may lead to loss of biological diversity, including the extinction of plants and animals important to peoples' livelihoods, such as cultivated land or pasture for livestock;

*b.* large flows of money at local level can encourage bribery and other forms of corruption, undermining the possibility of communities receiving a fair share of the revenues from mining for longer-term investment; this may damage the social fabric and lead to conflicts;

*c.* when a mine closes, the impact is often more dramatic than it would be for other kinds of industrial plants, as mines frequently constitute a larger proportion of the local economy; it is increasingly realised that the environmental social and economic dimensions of closure-planning are equally important;

5. Convinced that:

*a.* mining and mineral development can create new communities and bring wealth to those already in existence, but it can also cause considerable disruption. For mining to contribute to the goals of sustainable development at community level, it must provide a net benefit to the affected community;

*b.* if mining operations are to help communities work towards sustainable development, the communities need to be able to participate effectively in the decision-making processes for establishing and running the operations, in order to avoid or minimise potential problems;

*c.* the decision of whether or not to explore and mine in a certain area must be based on an integrated assessment of ecological, environmental, economic and social impact and thus be governed by a land-use strategy that incorporates the principles of sustainable development;

*d.* social-impact assessment (SIA) provides an opportunity to plan how a minerals development project can best support sustainable development and the community's vision of the future. SIA should be coupled with environmental-impact assessment to enable a transition to integrated impact assessment,

6. Calls on local and regional authorities with mining activities on their territory to:

*a.* take the lead in setting policy and standards for mining and associated industries operating on their territory, to ensure that sustainable development is respected at local and regional level, including developing systems for project monitoring and evaluation and that citizens are protected from any kind of abuse;

*b.* take land-use decisions through a process of democratic decision making that takes into consideration the rights and interests of communities and other stakeholders;

*c.* determine priorities (and ultimately choices regarding trade-offs relating to different social, environmental and economic goals) through participatory processes, involving all relevant actors, including members of the affected community and in keeping with the local context;

*d.* incorporate mining into local and regional development plans in order to sustain benefits and ensure a diversified resource base;

*e.* introduce mechanisms for maximising mining's contribution to communities' well-being, including mechanisms for redistributing revenues to the local and regional level, providing services and infrastructure to local communities, maximising local employment and the contracting of local businesses, developing skills and diversifying the economic base;

*f.* increase transparency through the publication of basic information about the wealth generated from mining projects, the revenue received by the local and regional governments and how that money has been spent;

*g.* develop sufficient capacity at local and regional level to manage revenue for legitimate development needs. Public-private partnerships should be encouraged;

*h.* incorporate the employment of local people into mining agreements and company policy. If skill levels in the local community are not sufficient at the outset, a staged approach to employment may be necessary, complemented by skills training;

*i.* require mining companies to adopt preferential procurement policies for local suppliers and distributors as a way of benefiting the communities and regions concerned and building human and financial resources;

*j.* develop social monitoring programmes directly from social impact assessments, and put in place management systems to implement the process, with responsibilities, budgets, monitoring schedules and implementation plans;

*k.* develop a community sustainable development plan to provide the framework for relationships between the

mining company, the community, the government and any other relevant parties throughout the project life and into post-closure. This plan should be based on the community's concept of how its interaction with the mine can best contribute to achieving its social, environmental and economic goals;

*l.* require a strategy for mine closure to be an integral part of mine development and operational planning; this strategy will need to be revised throughout the life of the mine to reflect, among other things, changes in community expectations, economic activities and the increasing capacity and changing responsibilities of certain actors;

*m.* recommend setting up a regional fund for mine closure and a regional fund of scientific and technical provision for industrial security, which shall be financed by the users of mineral resources and be managed by mining regions administrations;

*n.* identify and promote additional economic activities, in order to reduce the community's dependence on the mine; make sure that the infrastructure developed for mining can be useful for other purposes; the mineral wealth obtained by the local government during the life of the mine must be managed in ways that develop long-term benefits for the community;

*o.* make sure that when the physical closure plan for the mine is implemented the capacity of the local community is able to understand and manage residual environmental concerns;

*p.* set up clear guidelines for evaluating different methods for the disposal of mining waste on a case-by-case basis, with a clear emphasis on the need to avoid riverine disposal;

*q.* develop strong European networks of local and regional authorities affected by mining, for sharing experience and as a means of bringing their views to attention at national and global level.

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1. Debated and adopted by the Congress on 2 June 2005, 3rd Sitting (see Document CG (12) 10, draft resolution presented by S. Orlova (Russian Federation, R, EPP/CD) and J. Marcinkowska-Koranowicz (Poland, R, EPP/CD), rapporteurs).

