



STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY MRS. DEWI SAVITRI WAHAB, MINISTER COUNSELLOR, PERMANENT MISSION OF THE REPUBLIC OF INDONESIA TO THE UNITED NATIONS, AT THE INTERACTIVE THEMATIC DISCUSSION ON MINING IN THE 18TH SESSION OF THE UN COMMISSION ON SUSTAINABLE DEVELOPMENT (New York, 5 May 2010)

Mr. Chairman,

1. Let me begin by thanking the Secretariat for the report on mining, which provides a useful basis for our discussion.
2. I would also like to thank the panelists for their presentations, providing us some food for thought on how mining activities could better serve efforts on sustainable development.

Constraints and Challenges

3. It is evident that mineral resources can catalyse broad-based growth and development. Yet, the main challenge that G-77 countries face lies in the equitable distribution of benefits resulting from the extraction of mineral resources.
4. This is because countries of the G-77 that lack the financial and technological capacity for mineral extraction, often concede to skewed mineral development contracts, which not only undermine the sovereignty of nations over their resources, but also result in wholesale mining development and unfair returns for governments, who are often left with the social and environmental burdens associated with mining.

The Way Forward

5. Unless the mining sector is rooted in the long-term development imperatives of the national economy, it will continue to operate as an enclave, fully separated from the rest of the national socio-economic aspirations of developing countries and their peoples.
6. In this respect enhancing the participation of stakeholders, including local and indigenous communities and women in order for them to play an active role in mining development is a crucial factor.
7. It is hoped that CSD-18 could help identify common features of good practices on mining, which at the end should contribute to poverty alleviation and economic growth through among others, the promotion of good governance and sustainable development.
8. There are a number of key measures that should be taken to optimize the linkages between mining and the domestic economy, and the long term role of mining in relation to sustainable development.
9. First, there needs to be greater transparency not only from the government side but also from the private sector, to bridge the mismatch between growing societal expectations on mining firms' and their willingness to deliver on these expectations.

10. Second, corporate social economic and environmental responsibilities in relation to mining extraction activities should be more effectively coordinated to ensure the positive contribution for sustainable development. In this connection, there needs to be a verifiable process that involves government, local communities and civil society in the cycle of mining activities.

11. Third, revenues accrued from mining should provide a positive role for development. However, it is often the case that actual investment is inconsistent with national development plans, which leads to disintegration between mining activities and revenues received for economic growth and development. In this regard, capacity building to enhance developing countries management of revenues is needed, specifically to design, and implement development projects, in order to avoid what so called "the Dutch disease".

Mr. Chairman,

12. From these comments, the Group of 77 has some questions for the panelist:

Are there any compelling economic and financial reasons that justify a special and differential treatment for mining revenues from other sources of revenue?

How can the international community, particularly the CSD, influence mining activities to contribute to poverty reduction and economic development of developing countries?

What diversification of economic activities should governments in particular developing countries take in order to avoid the Dutch disease?

Thank you.