Radoslav Vukas, Graduated engineer of geology, Euro Geol N°1252
Self - Consultant at Mineral sector,
Chair of Section Euro-Geologist of Serbian Geology Society
Consultant at UNECE projects

Place and Date: Belgrade, 27 November 2022

COMMENT

Draft for Public Comment

United Nations Resource Management System:

Principles and Requirements

Prepared by the United Nations Resource Management System

Sub-group of the Expert Group on Resource Management

Many thanks for the Draft UNRMS shown, as well as for the opportunity to express some personal comments on the draft documents!

Draft UNRMS was done at a very high professional level, so there is very little space left for comments, which I marked in red as added words at a certain place in the text or parts of text.

I. Introduction

A. Purpose of UNRMS

6. Resource production, transformation and use, properly managed, must ensure beneficial social and environmental outcomes, inducing equitable distribution, reducing poverty, and eliminating conflicts.

7. This fragmented approach has come up significantly short, lacking a broad "bird's-eye" perspective and often with a limited diversity of knowledge, viewpoints and different law regulations to support informed decision-making.

8. Integrated management of resources is the key to overcoming the aforementioned challenges. UNRMS embraces the critical concept of integrated resource management that considers complexity, multiple scales, and competing and often opposed interests and brings these together to make informed decisions. Sustainable resource management starts from understanding the world's natural capital and natural resources, including the efforts required to refine and use them and how these resources, according to their geographical location relate to societal needs.

10. Sustainable resource management is defined as the total of policies, strategies, regulations, investments, operations and capabilities within the framework of public, public private and civil society partnerships, and based on environmental-socio-economic acceptability and viability and technical feasibility, which determine what, when and how resources are developed, produced, consumed, reused and recycled by the society.

12. UNRMS is a/an:

(a) Global voluntary system for resource management to be used by governments, industry, investors, and civil society, in the conditions prescribed by law;

(e) System for local and indigenous communities for evaluating and assessing projects, in different developmental stages against stated environmental-social-economic objectives;

(h) Support kit for projects to help align with applicable regulations, domestic and international;

B. Users of UNRMS and intended uses

13. Primary users of UNRMS will be governments/regional bodies, industry, capital investment entities and civil society, including academia, non-profits, indigenous communities and the public. Each stakeholder group will be using UNRMS for specific purposes, in a qualified manner as shown in the Figure and the Table.

Primary users of UNRMS and its intended applications

A. Governments/Regional bodies

(a) Achieving the climate objectives

(b) Formulation of regional and national policies on energy and raw materials for sustainable development, and their mutual recognition and connection

(c) Assuring the security of supply and fulfilling demand, including assessment of the global stocks and flows and ensuring access to resources

(d) Planning, including the formulation of fiscal policies

(e) Framing the necessary laws and regulations

(f) Assessments of global, national risks and opportunities

(g) Maintain national data inventories and ensure their traceability and security

C. Desired outcomes

14. Desired outcomes are based on applications listed in the Table above. They are expected to satisfy the UNRMS requirements listed in Section III. B. UNRMS will reference guidance that is already available to meet the requirements or develop new documentation where a gap exists. The preliminary list of desired outcomes is:

(a) Resource security, i.e., assuring resources for sustainable development, in accordance with the goals of sustainable development;

II. Definitions

15. The language, concepts, and terminology required to define UNRMS are briefly provided in this section. Currently, this list is only a starting point, and more terms will be added in future revisions of the document. The definitions provided below are preliminary and may be modified in alignment with stakeholder needs. The definitions provided here also need to be aligned with the UNFC Glossary of Common Terms[6] recently issued and to similar uses in international initiatives:

• Management: The activity of controlling resources (in terms of quantity and quality) or of using or dealing with resources in a way that is effective

• System: A set of definitions, principles, procedures, organized schemes or methods according to which resource management delivers environmental-social-economic ben**efit**s to the owner and/or user of the resource.

III. Structure

16. The structure of UNRMS will include the fundamental principles and requirements of resource management for sustainable development. The system will also have tools to assist in analysis and decision-making.

A. Fundamental principles of sustainable resource management

17. For sustainable resource management to be holistic, i.e., respond to the complexity of all resources, time and space scales, and life cycles, it should be principles-based. Principles provide general guidance on the direction sustainable resource management should proceed. From the fundamental principles, requirements are established at a lower level.

18. The fundamental principles of sustainable resource management are as follows:

(1) State rights and responsibilities in the management of resources as a public good;

(2) Responsibility to the planet;

4. Principle 4: Social contract on natural resources

Sustainable resource management shall ensure obtaining and keeping the social license to operate.

31. **Explanation:** Respect for human rights and the interests, cultures, customs and values of employees and communities affected by resource production is an integral part of sustainable resource management and is stressed in the United Nations Guiding Principles on Business and Human Rights. Such an approach will need to pursue continual improvement in social performance and contribute to social, economic and institutional development. Resource management needs to engage key stakeholders on sustainable development challenges proactively. It should also consider opportunities and transparently report and verify progress and performance independently.

32. Sustainable resource management most often there is complex social impacts related to displacement, land rights, cultural heritage, indigenous peoples, gender equality, employment, public health, safety and security, sexual exploitation and abuse, and other issues. Rights-based social safeguards, inclusive dialogue and risk management principles should be applied to resource projects to ensure that it benefits the poor, leaves no one behind, and respects human rights. Among these is the need for inclusive, participatory, transparent, and ongoing stakeholder consultation built into infrastructure planning processes.

11. Principle 11: Transparency

Sustainable resource management shall ensure a public understanding of the transfer of revenues and expenditures will help public debate allowing for an informed choice of sustainable development options.

44. **Explanation**: Open information that can be trusted informs better policy and fuels social license to operate. There has been a record of corruption cases along the value chain of numerous extractive industries. The need to avoid corruption, from the award of contracts and licences to the delivery of services, emphasizes transparency in informing public debate and realistic options for sustainable development. Many governments and public and private organizations have sought to reduce the risk of corruption and ensure revenues are adequately used by improving governance and increasing transparency within the sector. Ultimately knowing who controls, the way it controls and benefits from a resource has been used as the key to fighting corruption and preventing illicit financial flows in all sectors of an economy.

45. A public understanding of the transfer of revenues and expenditures over time will help public debate allowing for an informed choice of sustainable development options. This requires the disclosure of accurate and verifiable information along the value chain. The appropriate i.e. legal use of natural resource wealth should be a significant driver for sustainable economic growth that contributes to sustainable development and poverty reduction. However, if it is not managed correctly, it can create

negative economic and social impacts.

12. Principle 12: Continuous strengthening of core competencies and capabilities

Sustainable resource management shall ensure continuous strengthening of core competencies and capabilities required for cross-disciplinary research, development, demonstration, deployment and operations.

46. **Explanation**: Integrated and indivisible resource management requires a crossdisciplinary approach to problem-solving and working in diverse teams. Such an approach goes beyond what is available in traditional education and requires continuous improvement of competencies and capabilities, and legal powers.

B. Requirements

47. UNRMS principles are accompanied by the following requirements to be considered. All needs may not apply to all resource sectors. UNRMS application for a specific resource sector or for integrated resource management should be adapted in a case by case manner.

1. State rights and responsibility in the management of resources

(a) National policy and strategy: To support the implementation of sustainable resource management aligned to the 2030 Agenda;

(b) Compliance with regulations: Establish intersectoral regulatory bodies which are responsible for sustainable resource management;

(c) Coordination: Coordination with different authorities responsible for regulating

sustainable resource management;

(d) Provision of technical services: Providing technical services by appointed and qualified experts needed for sustainable resource management;

(e) Adherence to international obligations and arrangements for international cooperation.

2. Responsibility to the planet

(a) Long-term cost-benefit analysis concerning planet-people-prosperity;

(b) Strategic environmental assessments: A Strategic Environmental Assessment (SEA) is a systematic process for evaluating the environmental implications of a proposed policy, plan or programme and provides means for looking at cumulative effects and appropriately addressing them at the earliest stage of decision making alongside economic and social considerations;

(c) Climate change-related activities: All activities align to Nationally Determined Contributions (NDCs), investor and company vision, and agreed climate change policies;

(d) Resource and energy use efficiency: Actions to reduce the share of resource and energy inputs used to produce resources;

(e) Greenhouse Gas (GHG) Intensity indicator: expressed in g CO_2 eq/MJ;

(f) Water use and management: Ensure water inputs are optimized and released to the environment and managed according to country legislation and with the achievement of sustainable development goals;

(g) Land use and management: Actions to minimize or optimally manage the land footprint;

(h) Management of all residues and effluents in an appropriate manner;

Annex I

UNRMS tool kit concepts

5. Critical raw materials dashboard

23. Energy transitions are heavily dependent on the supply of critical raw materials.
Critical raw materials have geographical dependencies and uneven distribution, sustainability issues in production and use, and complex supply chains. Governments, industry, financial, academic and civil society stakeholders require timely information on availability, production, use and reuse is required to manage critical raw materials properly. There is no shortage of data in today's digitalized environment. To make the data into useful information for decision making is the biggest challenge.

24. Making critical raw material resource data available in a harmonized manner using UNFC standards is part of the solution. UNFC based information needs to be combined with other production information, primarily social and environmental aspects. Supply chain information and valid and available data related to the use and reuse of other factors need particular attention.

25. How data appears is often as important as data quality. Data that cannot be easily accessed or viewed is not usually of great use for comparative analytics, although they can be extremely important. A dashboard is a visual display of the essential information needed to achieve one or more objectives, consolidated and arranged on a single screen so users can monitor the information at a glance.

26. Data dashboards fall under four main classifications. Informational dashboards serve objective, unbiased information about a project or business. Strategic dashboards help users discover opportunities, create forecasts, drive strategy, and focus on high-level performance data. They are typically static dashboards updated monthly in preparation for review and lead planning for the next block of time. Analytical dashboards are detailed and allow users to drill down into the data. Analytical dashboards typically include background information, context, and data analysis. Operational dashboards give users insight into the operation's processes and other underlying functions. They often surface live (or real-time) data and provide continuous, up-to-the-minute information.

27. Analytical, rather than informational, dashboards will meet the needs of a multidisciplinary user group studying natural resource management. UNRMS users would benefit from the user's ability to drill down into data that has been assembled by subject matter. The information so generated could be used for internal resource management or public reporting purposes. For example, dashboards for critical raw material resources should allow users to see and query the data. Users could answer questions themselves rather than being given information in predefined reports.

28. As can be seen from available but challengingly difficult-to-extract-data-from many data sources, there is a significant difference between available data and obtained information. The critical raw materials dashboard tool will provide actionable information to all stakeholders.