

# UQ-ALABC Latin American Sustainability Symposium Policy Brief



# **Cross-border collaboration for the achievement of the United Nations 2030 Agenda: Australia and Latin America lessons on sustainability**

## **Policy Brief**

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## **Highlights**

With the year 2020 drawing to a close, the achievement of the United Nations (UN) 2030 agenda is now more critical than ever. However, the only way to achieve this goal is by promoting greater international cooperation and collaboration related explicitly to the 17 Sustainable Development Goals (SDGs) outlined in the agenda (Babier, 2018; Franco et al; 2018 UN, 2018;). While Australia and Latin America (LATAM) are on distinct sides of the globe, continents away from each other, the partnership and knowledge sharing between these two regions in areas of sustainability create cross-border learnings that have a positive impact on both regions as well as the world as a whole. While the achievement of all SGDs is essential in order to achieve a sustainable future for all, this policy brief will focus on the following three SDGs which have a particularly strong link between industry and sustainability:

- ✓ SDG 9-"Build resilient infrastructure, promote inclusive and sustainable industrialisation, and foster innovation."
- ✓ SDG 12- "Ensure sustainable consumption and production patterns."
- ✓ SDG 17- "Strengthen the means of implementation and revitalise the global partnership for sustainable development".

## **Recommendations:**

- Increase collaboration between government, industry, academia, local communities and civil society to ensure all parties are represented in the decision making process.
- Build channels of trust between governments, communities and stakeholders to promote transparency and active communication in order to ensure that all input is taken into consideration in the development of commercial activities.
- Increase global partnerships to encourage cross-border knowledge sharing and promote innovation

## Introduction

Climate change, pollution, water scarcity and land clearing are some of the most critical challenges currently facing humanity. The impacts of these challenges are felt across all corners of the globe and to address them both transnational cooperation and the development of best practices across government and industry are essential. However, effective policies that incentivise sustainability require active collaboration between industry, government, civil society and academia as well as reconciliation between the goals of corporate profit and the SDGs (UNDP, 2015; UN, 2018). Thus, in order to achieve the 2030 Agenda and ensure a sustainable future for all, both developed and developing nations need to learn from each other by creating meaningful partnerships and engaging knowledge sharing.

While Australia and Latin America are continents apart, home to different languages, cultures and political landscapes, they experience many similar challenges in terms of stakeholder engagement, water management, mining development and dependence on natural gas. Therefore, cross border knowledge sharing on how to best promote sustainability and encourage collaboration between government, industry, academia and local communities is extremely beneficial for both regions.

This policy brief discusses the challenges and opportunities of SDGs 9, 12 and 17 within the context of the 2020 virtual sustainability symposium hosted by the University of Queensland, Australia-Latin America Business Council(ALABC) and the Australian Institute for Business and Economics titled 'Lessons from Australia and Latin America in Actioning the United Nations Sustainable Development Goals'. Furthermore, this brief takes the learnings from the aforementioned symposium to provide government policymakers, industry decision makers as well as other relevant stakeholders with actionable recommendations to assist in the practical achievement of the 2030 UN Agenda (UNDP, 2015; UN, 2018).

## **SDG 9-"Build resilient infrastructure, promote inclusive and sustainable industrialisation, and foster innovation."**

This section of the brief has been informed by the knowledge and experience of the following people: Michelle Ash (CEO of Geovia Dassault Systemes), Nigel Warren (Executive Director at Growth CSIRO), Guy Cowan (Independent Director at Santos LTD, Queensland Sugar Ltd, Buderim Group Ltd and Winson Group Ltd) and David Mulligan (Executive Director of Sustainable Minerals Institute International Centre of Excellence Chile, the University of Queensland).

One of the first steps towards achieving SDG 9 is ensuring that corporations take sustainability seriously. In order to undertake commercial activities that are sustainable, resilient and inclusive, corporations need to actively engage with scientific research as well as local community members. This includes, working with local partners to manage risks that come from corporate activities, engaging with academic research, having sustainable targets such as a zero emissions target and investing in sustainable fuels and technologies.

Australian companies in Latin America are working towards this goal by engaging with local research centres and universities as well as local business and community partners to ensure that research influences industry to encourage responsible resourcing of materials. This collaboration has been particularly fruitful in the development of responsible and sustainable mining projects. There has been increased investment in research and development for new technologies to assist mining companies in achieving net-zero emissions. The implementation of these technologies aims to support the safe transition to sustainable fuels and improve the quality of life for community members in mining regions.

Another area for collaboration between Australia and Latin America to promote sustainable development and achieve SDG 9 is in the transition to sustainable fuels. Natural gas, for example, is considered a sustainable transition fuel and is abundant in both Latin America and Australia. It is seen to be able to effectively displace coal consumption in the Latin American region, particularly in Bolivia and Colombia. The development of technologies for renewable energies is at different stages of growth in Australia and Latin America. Therefore, advancement in renewable energies and sustainable technologies such as carbon capture, utilisation and storage present a great opportunity for cross-border knowledge sharing to stimulate innovation.

A serious sustainability issue which is limiting the achievement of SDG 9 and affecting commercial mining activities in both Australia and Latin America is water scarcity and water management. Companies need to be aware on how they manage water usage in competition with local community use and other uses, such as agricultural production. Effective water management is essential to avoid conflicts between industry, communities and external organisations, as

well as ensure future supply. Programs of knowledge sharing between the University of Queensland, the Sustainable Minerals Institute and the Chilean Government co-created a global mining knowledge force in Chile to address this challenge. The cross-border learnings from this partnership can be expanded to other countries in the region and foster further innovation on the topic.

Finally, cross-border collaboration in commercial activities and the engagement between industry, academia and government has proven to be successful in advancing meaningful projects in Latin America. This cooperation provides an opportunity for Australia to share its knowledge and experience with Latin America as well as develop local partnerships and improve stakeholders' skills and capabilities in a completely different environment. Furthermore, learnings from these projects can be translated to the development of programs in Australia. Several projects have already been implemented to create a mutual, two-way impact for Australia and Latin America in areas such the aquaculture industry, underground mining and drone technologies. Nonetheless, further collaboration is needed to promote long-lasting sustainable development and foster innovation effectively.

## **SDG 12- "Ensure sustainable consumption and production patterns."**

This section of the brief has been informed by the knowledge and experience of the following people: Dr Isabel Franco (Research Fellow at AIBE, The University of Queensland), Fiona Sartain (Senior Sustainability Advisor at MMG Limited), Tom Schroder (Head of Climate Action at South Pole) and Paul Evans (Vice President of Corporate Affairs at Orica).

In order to ensure sustainable consumption and production patterns, corporations need to not only uphold sustainable business practices themselves, but they also need to explore the environmental and social risks of their supply chains and actively seek out opportunities for engagement with local economies. Developed countries such as Australia play an important role in taking the lead in building capacity in developing economies such as Latin America. Sustainable production and consumption practices in areas such as the mining industry in Latin America have the potential to drive local and regional economic growth through knowledge sharing and training provided to communities. The implementation of sustainable practices by Australian companies supports the creation of local businesses and capabilities within the communities and promotes the efficient usage of natural resources. Additionally, it builds trust in the regions in which companies operate and creates a sense of ownership of the projects within the community. Moreover, it also creates business opportunities for local stakeholders by involving them in the supply chain. Thus, sustainability is enhanced in the long term with these programs as they encourage sustainable consumption and production by international corporations and local communities (Franco and Ali, 2016).

By involving local businesses and communities in the supply chain, corporations are able to create community awareness and engagement with issues such as sustainable development and resource management as well as educate local businesses on international best practices. Mining is an industry that offers opportunities to drive local development as well as create a positive long-term impact within communities. Global mining company MMG, for example, has been supporting the development of local businesses and fostering community capacity-building at their mining project in Las Bambas, a remote community outside Cusco, Peru. The company has been able to identify gaps in the market and support local businesses to address these gaps. MMG has also provided training to local partners to enhance their capabilities according to international standards which not only makes them more competitive but also allows them to expand their services across the country. This support from MMG opens up opportunities for local businesses to become providers and suppliers of the mining industry, as well as ensure that sustainability practices are being upheld throughout the supply chain. Moreover, MMG is dedicated to obtaining local community participation in the environmental monitoring and planning of projects as well as ensuring information about mining projects is accessible to local communities. This participation promotes transparency and collaboration between local stakeholders and the corporation. Thus, maximising the utilisation of local resources and capabilities under the strict international safety and regulatory standards of the industry.

While engagement with local communities has a positive effect, the negative impacts of business operations also have the potential to be mitigated through education, training programs and cross-border collaboration. International organisation, South Pole, for example, educates businesses in both Australia and Latin America on the importance of prioritising the sustainability of their supply chains. In Latin America, South Pole works with a Colombian electrical company to restore the natural habitat of the jaguar in the Amazon region by encouraging clients to invest in biodiversity assets. Similarly, in partnership with local universities South Pole works with remote, regional and indigenous communities across the Pacific and Australia to collect, reuse and sell the plastic collected, delivering positive environmental, social and economic outcomes to communities. These examples demonstrate the value of cross-border knowledge sharing in promoting sustainable production internationally and incentivising a global, circular economy.

Finally, undertaking key industry practices, such as the operation of explosives in the mining industry, in a developing region like Latin America requires the effective implementation of strict processes and the development of close partnerships with reputable organisations. The Latin American region faces challenges on sensitive issues such as bribery and corruption which undermine sustainable, transparent business practices and require rigorous screening processes. International companies should understand the business context in which they operate in and apply screening processes to all employees,

customers, consultants, third party providers and any other stakeholder involved in the business process. For example, Australian explosive provider Orica operates widely in Latin America and assesses potential customers' commitment to industrial standards and membership to non-government organisations that promote the SDGs before agreeing to do business. This ensures that Orica's customers undertake their business in a sustainable, responsible way. While dealing with complex issues, such as the impact of mining on local communities may slow down internal business process, it is incredibly important that businesses have a thorough understanding of the business, community and environmental context in which they are operating in and handle issues in a respectful and sustainable manner to protect the future of the region and the business (Abe and Franco, 2017).

### **SDG 17- "Strengthen the means of implementation and revitalise the global partnership for sustainable development".**

This section of the brief has been informed by the knowledge and experience of the following people: Paola Lasso (Director of ALABC), James Ensor (Executive Officer and President of BHP Foundation), H.E. Miguel Palomino De La Gala (Ambassador of Peru to Australia), Charlie Sartain (Board Member at OZ Minerals).

The only way to successfully achieve the 2030 Agenda and ensure a sustainable, equal future for all people is to strengthen partnerships between government, the private sector, civil society and other key stakeholders. By improving and expanding partnerships, international corporations can strengthen the domestic capacity in which they operate as well as participate in trans-border knowledge transfers. The mining industry, for example, has an extensive global footprint, and often operates in remote, poor regions with vulnerable communities. Thus, to ensure the effective delivery of the SDGs as well as create value for stakeholders and society in general, mining companies engage in multi-stakeholder partnering with local communities, government, and international organisations. Australian mining company OZ Minerals actively seeks to engage in multi-stakeholder partnering both in Australia and overseas. For example, OZ Minerals established a formal partnering agreement with Kokatha Aboriginal Corporation and engaged in respectful discussions with various stakeholders to sign a Native Title Mining Agreement before beginning their operations in the South Australian outback. This ensured that the local indigenous peoples could have a say in the development of mining operations as well as benefit from a variety of career and capacity building opportunities. Moreover, through multi-stakeholder partnering with local communities, government and employees during a mining project in Northwest Argentina, it became apparent to OZ Minerals that there was a dire need to improve education standards and career pathways for young people in the region. To address this, OZ Minerals worked with suppliers and authorities to develop trade apprenticeships and establish formal accreditation for the young people

of the region to provide important foundations for their careers. This industry development project was so successful that it was expanded across Latin America, and can be seen as an example of SDG 17 in action. Finally, a good example of effective multi-stakeholder partnering on a global scale is the partnership established in 2019 between the United Nations' Environment Program and the International Council of Mining and Metals to develop and publish the global industry standard on tailings management for the mining industry. The successful development of this standard was a result of extensive public consultation with affected communities, government representatives, investors, multilateral organizations, and other mining industry stakeholders (ICMM, 2020).

Moreover, government plays a central role in the achievement of the SDGs, and it is governments' responsibility to pursue a policy agenda that aligns with their key stakeholder interests across civil society, academia and industry. The Government of Peru, for example, has demonstrated its commitment to the SDGs by initiating the process for multi-stakeholder dialogue under the Mater Initiative to ensure good mining practices. This multi-stakeholder group made up of 33 representatives from government, the private sector, civil society and academia came up with four attributes Peruvian mining must embody by 2030 including being inclusive, socially and territorially integrated, environmentally sustainable, competitive and innovative as well as be developed within a framework of good governance. The importance of the active participation and engagement of government, at local, national and international levels cannot be underestimated as cross-sector partnerships ensure every voice is heard and encourage transparency and good governance of resources (UN, 2018).

One of the major issues impeding the achievement of the SDGs is the ineffective governance of natural resources. Currently, there are about 1.8 billion people that live in poverty in resource rich countries. This level of poverty is not due to lack of wealth or resources, but rather is caused by poor governance of natural resources. The BHP Foundation works extensively in Latin America to stimulate sustainable resource governance all throughout the value chain. At the front end, the BHP Foundation partners with global NGOs, government and industry to identify corruption risks in mining licensing and permitting process caused by poor governance and address these risks through reforms to government licencing practices. Another example is the work they do with the World Bank Group and the International Finance Corporation to create a disclosure to development project which partners with governments and civil society organisations across a number of countries to ensure transparency in regards to revenue flows in mining projects. In Peru this project has created a particularly strong partnership between community leaders, civil society organisations, government and industry for the development of a participatory budget monitoring processes so that community leaders can see what the revenue flows from mining go into the municipal government and

where that money is being spent in the best interest of the community. Finally, to eliminate corruption in government procurement, international organisations partner with Latin American governments to introduce open contracting, a process to move their procurement systems on to transparent online platforms which increases business confidences and eliminates the opportunity for backdoor deals between tenders and corrupt civil servants. For example, in Colombia the recent introduction of open contracting around the provision of school meals in Bogota exposed an array of backdoor deals with corrupt civil services. Introducing open contracting in that area has enabled almost a million school children to receive vastly improved school meals at a vastly reduced cost for taxpayers. These examples demonstrate that strong partnerships between a variety of key stakeholders are essential to ensure transparency, the responsible governance of resources and a sustainable future for all. The 2030 Agenda cannot be accomplished by just one country or one industry, but rather relies on the collaboration and cooperation of all nations, corporations, and people.

## Policy Recommendations

The following section provides recommendations for policymakers, industry decision-makers and other relevant stakeholders to promote the achievement of the aforementioned SDGs through collaboration between Australia and Latin America:

- Foster academia-industry partnerships to fund multi-stakeholder partnerships and projects towards the achievement of the United Nations 2030 Agenda and the SDGs
- Build a channel of trust within communities and stakeholders to allow a timely and proper two-way communication ensuring that concerns and feedback are taken into consideration for the development of activities.
- Work with local communities to develop local businesses and support capacity building
- Ensure information about commercial activities is accessible to local community members
- Facilitate international cooperation to support developing countries in Latin America to achieve transparency of disclosure and reduce corruption in the region.
- Involve community representatives in sustainability reporting to have a more holistic approach and consider issues flagged from the bottom line of the value chain.
- Enhance publicly available data that enable civil citizens to understand information.
- Promote partnerships to create platforms of collaboration with multilateral stakeholders, including but not limited to NGOs, industry, government, local entities and community members
- Ensure community engagement and inclusion to increase public trust by creating spaces for collaboration between diverse stakeholders and community members
- Implement sustainability initiatives, such as transparent online platforms for governance management to reduce corruption, tender prices and back door deals.
- Facilitate knowledge sharing between industries, government and academia
- Increase collaboration between stakeholders to achieve the SDGs
- Build capabilities in local communities and support SME by their inclusion in the supply chain of industry activities.
- Foster sustainable development in regional areas by helping local communities gain an understanding of the broader concepts around sustainable development.

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Lessons from Australia and Latin America  
in Actioning the United Nations Sustainable  
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