

Appendix 2

The Ilmenite Project

Legal and administrative framework

Appendix to SIA

1 Regulative framework of the project

This appendix lists and describes the regulations and guidelines relevant to mining projects, with specific focus on issues and areas of interest for the Social Impact Assessment of the Ilmenite Project.

Greenland is a constituent country in the Kingdom of Denmark, and therefore the Constitution of the Kingdom of Denmark also applies to Greenland. The Greenlandic parliament (Inatsisartut) has 31 seats and usually meets twice a year, for an autumn and a spring session respectively. Seven political parties have members in the current parliament. The Government of Greenland (Naalakkersuisut) has nine ministers in the cabinet, including the Prime Minister. One minister is the Minister of Mineral Resources and Labour.

Greenland is an independent member of the Nordic Council and Nordic Council of Ministers. This membership with other Nordic countries and autonomous regions facilitates parliamentary cooperation among the members, particularly in relation to nature and environmental issues. As a constituent country in the Kingdom of Denmark, Greenland is also a member of the Arctic Council. Furthermore, the international organization Inuit Circumpolar Council (ICC) has a Greenlandic branch, through which Greenland cooperates with the Inuit peoples of Canada, Alaska and Russia

Greenland is not a member of the European Union, after the country withdrew in 1985.

2 Authorities responsible for mining projects

These authorities are responsible for administration of the mineral resources area in Greenland:

- The Ministry of Mineral Resources
 - Mineral Licence and Safety Authority (MLSA)
- The Ministry of Labour, Research and Environment
 - The Environmental Agency for Mineral Resources Activities (EAMRA)

The **Ministry of Mineral Resources and Labour** and the underlying **Mineral Licence and Safety Authority (MLSA)** are responsible for licence administration, technical and geological matters. The ministry is responsible for the SIA and Impact Benefit Agreements (IBA) for mineral resource companies incl.

mining projects' use of Greenlandic enterprises and Greenlandic labour.

The **Environmental Agency for Mineral Resources Activities** (EAMRA), which is under the **Ministry of Nature and Environment** is the administrative body responsible for environmental aspects, including the EIA.

3 Relationship to Danish legislation

Greenland is a constituent country in the Kingdom of Denmark, but has an extensive type of self-government, governed through the 'act of Greenland Self-Government' that came into force in 2009.

The self-government means that political competence and responsibility has been transferred from the Danish political authorities to the Greenlandic political authorities. The Greenlandic authorities administer the tasks taken over from the state, enact legislation in these specific fields and have the economic responsibility for solving these tasks.

Fields of responsibility that have been assumed by the Greenlandic self-government includes the mineral resource area, taxes and duties, environmental matters and infrastructure (including amongst others traffic, supply and telecommunication) However, some juridical areas are still under Danish jurisdiction, including:

- Justice affairs, including police, criminal procedures and the courts of law
- Defence and National security
- Financial sectors and monetary system, e.g. the currency used in Greenland is Danish Krone, DKK
- Civil right law, e.g. family and succession, citizenship matters etc.
- Foreign affairs
- Immigration policy (work and residence permits for foreigners in Greenland)
- Safety at sea (primarily the IMO Polar Code and Order for Greenland on the safe navigation, etc. of ships)

When describing the relevant legislation for the Dundas Ilmenite Project, both Greenlandic and Danish acts will therefore be included. Where the Greenlandic self-government has assumed a field responsibility, the Greenlandic legislation will always be applicable.

4 Legislation relevant for mining projects

The main legislation governing mining projects is Act no. 7 of 7 December 2009 on Minerals and Resources (the Mineral Resources Act), including later amendments.

The Act is intended as a framework act, constituting the main principles for the administration of mineral resource activities.

The most relevant provisions for the SIA process in the Mineral Resources Act are:

- I. Section 18 (1) – use of Greenland workers
- II. Section 18 (2) – use of Greenland enterprises
- III. Section 18 (3) – processing of minerals in Greenland.
- IV. Section 78 (a) – the legal basis for the IBA (part of a later amendment of the Mineral Resource Act)

- V. Part 18a – pre-consultation and consultation (part of a later amendment of the Mineral Resource Act)

Table 1 lists relevant legislation for mining projects in Greenland.

Table 1: Relevant legislation for the The Ilmenite Project

Legislation	Summary & Relevance	Year
Greenland Parliament Act No. 7 of 7 December 2009 on mineral resources and mineral activities (the Mineral Resources Act) and subsequent amendments	<p>This Greenland Parliamentary Act aims to ensure appropriate exploitation of mineral resources, use of the subsoil, regulation of matters of importance to mineral resource activities and subsoil activities.</p> <p>Furthermore, it aims at ensuring that activities under the Act are performed in a sound manner as regards to safety, health, the environment, resource exploitation and social sustainability, and appropriately and according to acknowledged best international practices under similar conditions.</p> <p>Act no. 7 was created on December 7, 2009 and came into force on January 1, 2010.</p>	2009 and onwards
Act No. 1048 of 26 October 2005 on Occupational Health and Safety (the Greenland Working Environment) and subsequent amendments	<p>The Act aims to ensure a safe and healthy working environment which shall at any time be in accordance with the technical and social development of the Greenland society, and the basis on which the enterprises themselves will be able to solve questions relating to safety and health under the guidance of the employers' and workers' organizations, and under the guidance and supervision of the Working Environment Authority.</p> <p>See also additional Orders listed below in section 4.1</p>	2005
<p>Danish regulation No. 150 of 23 February 2001</p> <p>"§9 (2) (3) of Decree No 150 of February 23, 2001 on request relating to the entry into force of the law on non-nationals into Greenland"</p>	<p>Foreign worker policy. As a general rule then for non-nordic citizens there need to be issued work and residence permits in Greenland from the Danish immigration authorities There are some exception to this rule. More specific information can be obtained by contacting the Danish immigration authorities.</p>	2001
Greenland Parliament Act No. 27 of 30 October 1992 on the regulation of the influx of labour in Greenland (incl. later amendments)	Ensures for unskilled and certain unskilled jobs that Greenlandic labour has a prior to work in Greenland	1992
Decree No 1674 of 16 of December 2015 on request	Regulates safety at sea in Greenland waters and ensures, amongst other things, implementation of the International Convention on Safety at Sea (SOLAS, 1974), the	2015

relating to the entry into force of the law on Maritime Safety (Safety at Sea).	international convention for the prevention of pollution from ships, 1973 and the modified protocol (MARPOL), 1978.	
BL 5-24 - Operational regulations for internal flights in Greenland and for transit flights in Sondrestrom Flight Information Region (FIR) (Edition 2, 26 June 2008)	This BL lays down the operational regulations for all internal flights in Greenland, including all transit flights within Sondrestrom FIR, by Danish or foreign registered aircrafts.	2008
Danish Executive Order No. 138 of 8 of February 2010 on Access to and Conditions for Travelling in Certain Parts of Greenland	Regulates access to remote parts of Greenland and to military parts of Greenland covered by "Agreement Between the United States and the Kingdom of Denmark, April 27, 1951". This includes the regulation on access to the Thule Air base area.	2010
Greenland Parliament Act No. 14 of 26 May 2010 on emergency services in Greenland and fire and explosion prevention (Emergency Management Act) and Act No. 14 of 3 December 2012 (Repatriation of the competence to plan for war)	The act regulates the emergency management, where special attention should be given to paragraph 13 which states that in case of an emergency situation this has to be coordinated by the chief of police in Greenland.	2010
Criminal law, Danish Act no. 306 of 30th April 2008 with Amendments of Act No. 735 as of 25 June 2014, Act. No. 103 as of 3 February 2016, and Act No. 149 of 7 February 2017.	The act describes the criminal code for Greenland, including the sentences for criminal offences. The Greenlandic judiciary system is regulated by Danish legislation and is administered by the Danish authorities.	2008
Greenland Parliament Order No. 11 of 19 May 2010 on conservation and other heritage protection of cultural relics (The Heritage Protection Act)	The Act serves to protect the ancient relics, finds, monuments and buildings.	2010
Order No. 10 of 10 October 2013 on the use of motorized means of transport	This Executive Order lays down rules for the use of motorized means of transport based on nature and environmental protection considerations	2013

Greenland Parliament Act no 29 of 18 December 2003 on Nature protection The Act serves to protect the nature of Greenland

2003

Act No. 12 of 2 November 2006 on income tax and later amendments The Acts regulate taxes in Greenland

2006 and onwards

4.1 Orders on Occupational Health and Safety

Table 2 lists orders on occupational health and safety relevant when employing workers in Greenland.

Table 2: Orders on occupational health and safety

Orders on Occupational Health and Safety relevant to the project	Year
Order no. 798 of 12 June 2017, reimbursement of expenses in connection to inspection of mines etc. in Greenland	2017
Order no. 302 of 26 March 2015, work activities in relation to exploring and exploiting minerals in Greenland	2015
Order no. 32 of 23 January 2006, Rest periods and off-time in Greenland	2006
Order no. 655 of 12 May 2015, Installation and use of mechanically operated cranes, hoists and similar	2015
Order no. 155 of 18 April 1972, Pressure contained on land	1972
Order no. 133 of 5 February 2010, Asbestos	2010
Order no. 914 of 26 June, Education on Occupational Health and Safety	2013
Order no. 395 of 24 June 1986, Order on the performance of work	1986
Order no. 396 of 24 June 1986, Work with substances and materials (chemicals)	1986
Order no. 399 of 24 June 1986, Arrangement of workplaces	1986
Order no. 401 of 24 June 1986, Reporting of work related injuries	1986
Order no. 1168 of October 2007, work place Assessment in Greenland	2007
Order no. 1344 of 15 December 2005, Order on the construction owner's obligations and responsibility	2005
Order no. 1347 of 15 December 2005, Work for young people	2005
Order no. 1346 of 15 December 2005, Order on the Occupational Health and Safety Work in Greenland and amendment in	2005
Order no 364 of 6 April 2010	2010
Order no. 1348 of 15 December 2005, Order on the arrangement of construction sites and similar work places in Greenland	2005

5 National guidelines

Table 3 lists national guidelines of relevance to the project.

Table 3: National Guidelines relevant to the project

Title	Summary & Relevance	Year
Social Impact Assessment (SIA). Guidelines for the process and preparation of the SIA report for mineral projects	Guidelines prepared to assist mining companies and their consultants in preparing Social Impact Assessments (SIA), describe the role of the BMP, the SIA process and content of the SIA document.	April 2016
<i>Guidelines for preparing an Environmental Impact Assessment (EIA) report for mineral exploitation in Greenland</i>	Guidelines for EIA that apply to mining companies. The report must cover the entire exploitation period from mine development prior to mine start until closure and subsequent monitoring period. The guidelines include requirements on baseline and project specific environmental studies 2-3 years in advance of EIA report preparation.	2015
Rules for field work and reporting regarding mineral resources (excluding hydrocarbons) in Greenland	The rules apply to licencees' field activities regarding mineral resources (excluding hydrocarbons) in Greenland and to reporting to the Greenland Home Rule Government's Bureau of Minerals and Petroleum (BMP) on the activities and their results.	2000
The Danish Maritime Authority's guidelines of 10 January 2011 on investigation of navigational safety issues	The guidelines ensure that the concession holder – prior to starting the exploitation activities – must have carried out a navigational safety investigation of the conditions in the operational phase in connection with calls at ports, facilities, anchorages, etc. in the concession area. The purpose of the investigation is to illustrate that navigation can be carried out in a safe manner.	2011
Standard Terms for prospecting Licences for Minerals (excluding hydrocarbons) in Greenland	Serves under the Mineral Resources Law. Guidelines from BMP describing application for prospecting licences, rights and rules for prospecting of minerals in Greenland.	2010
Standard Terms for Exploration Licences for Minerals (excluding hydrocarbons) in Greenland and addendum no. 3 of 1 July 2014 to standard terms for exploration licences for minerals (excluding hydrocarbons) in Greenland	Serves under the Mineral Resources Law. Guidelines from BMP describing application for exploration licences, rights and rules for exploration of minerals in Greenland.	2010, 2014

6 International Unions and Conventions

Table 4 presents relevant international unions, declarations and conventions that are relevant to operating a mining project in Greenland.

Where relevant, it has been clarified if the conventions have been ratified by Greenland and Denmark.

Table 4: Relevant unions, declarations and conventions

Title	Summary & Relevance	Year
UN Declaration on Indigenous Peoples Rights	The UN Declaration on the Rights of Indigenous Peoples sets out the individual and collective rights of indigenous peoples, as well as their rights to culture, identity, language, employment, health, education and other issues. The declaration also "emphasizes the rights of indigenous peoples to maintain and strengthen their own institutions, cultures and traditions, and to pursue their development in keeping with their own needs and aspirations". The declaration is not legally binding, but supported by Denmark.	2007
UN Convention against Corruption	The United Nations Convention against Corruption (UNCAC) is a multilateral convention and the first global legally binding international anti-corruption instrument. UNCAC requires that States Parties implement several anti-corruption measures which may affect their laws, institutions and practices. These measures aim at preventing corruption, including domestic and foreign bribery, embezzlement, trading in influence and money laundering. The convention has been ratified by Denmark on behalf of the Kingdom of Denmark.	2005
Extractive Industries Transparency Initiative (EITI)	The Extractive Industries Transparency Initiative (EITI) is a global Standard to promote open and accountable management of natural resources. Countries implementing the EITI disclose information on tax payments, licences, contracts, production and other key elements around resource extraction. Greenland has officially stated that it supports the EITI principles, but Greenland / Denmark are not yet candidate countries to EITI.	2002
ILO Declaration on Fundamental Principles and Rights at Work	The Declaration commits Member States to respect and promote principles and rights in four categories, whether or not they have ratified the relevant Conventions. These categories are: Freedom of association and the effective recognition of the right to collective bargaining, the elimination of forced or compulsory labour, the abolition of child labour and the elimination of discrimination in respect of employment and occupation.	1998
United Nations Framework Convention on Climate Change	The convention aims at protecting, preventing and reducing global warming by reducing the emissions of greenhouse gases. The convention enforces the Kyoto Protocol which came into force in 2005 and the subsequent Paris Agreement from 2015. The Paris Agreement has been approved by Denmark, but with territorial exclusion in respect of Greenland. This means that Greenland does not have international reduction commitment.	1992
Convention on	The Convention on Biological Diversity has 3 main	1993

Biological Diversity	<p>objectives: The conservation of biological diversity; the sustainable use of the components of biological diversity; and the fair and equitable sharing of the benefits arising out of the utilization of genetic resources.</p> <p>The convention was ratified by Denmark in 1993.</p>	
OSPAR convention (The Convention for the Protection of the Marine Environment of the North-East Atlantic)	<p>OSPAR is the mechanism by which 15 Governments & the EU cooperate to protect the marine environment of the North-East Atlantic. Overall, the work of the OSPAR Commission is guided by the ecosystem approach to an integrated management of human activities in the marine environment.</p> <p>The Convention has been signed and ratified by Denmark.</p>	1992
ILO Convention 169 - Indigenous and Tribal Peoples Convention	<p>The ILO Convention 169 is a binding international convention concerning indigenous peoples. It recognises and respects the cultures and ways of life of indigenous peoples, rights to land and natural resources, and rights to determine priorities for development. It does not simply state rights, but goes beyond by providing technical guidance on how to implement those rights, and which measures, precautions, or safeguards to take in order to ensure full enjoyment of those rights.</p> <p>The convention was ratified by Denmark (including Greenland and Faroe islands) on 22 February 1996.</p>	1991
OECD Guidelines for Multinational Enterprises and subsequent updates (the latest in 2011)	<p>The OECD Guide for Multinational Enterprises are the most comprehensive set of government-backed recommendations on responsible business conduct in existence today. The governments adhering to the Guidelines aim to encourage and maximise the positive impact MNEs can make to sustainable development and enduring social progress.</p> <p>The guidelines have been adopted by Denmark.</p>	1976, 2011
UN Convention on Civil and Political Rights	<p>The International Covenant on Civil and Political Rights (ICCPR) is a multilateral treaty that commits its parties to respect the civil and political rights of individuals, including the right to life, freedom of religion, freedom of speech, freedom of assembly, electoral rights and rights to due process and a fair trial.</p> <p>The convention was ratified by Denmark in 1972.</p>	1966
International Covenant on Economic, Social and Cultural Rights	<p>It commits its parties to work toward the granting of economic, social, and cultural rights (ESCR) to the Non-Self-Governing and Trust Territories and individuals, including labour rights and the right to health, the right to education, and the right to an adequate standard of living.</p> <p>The covenant was ratified by Denmark in 1972.</p>	1966
Convention for the Protection of the World Cultural and National Heritage (UNESCO / World Heritage Convention)	<p>The Convention aims to conserve and protect cultural heritages from destruction by traditional decay and by changing social and economic conditions. Because deterioration or disappearance of any item of cultural or natural heritage constitutes a harmful impoverishment of the heritage of all the nations of the world.</p> <p>The convention was ratified by Denmark in 1979, and of ten properties inscribed on the Danish world heritage list, three sites are in Greenland.</p>	1972
Ramsar Convention	<p>The Ramsar is an intergovernmental treaty that provides the framework for national action and international cooperation for the conservation and wise use of wetlands and their resources.</p> <p>Denmark signed the treaty in 1978, and two Ramsar sites are placed in the Greenland National Park – Kilen</p>	1971

	and Hochstetter Forland.	
International Convention on the Elimination of All Forms of Racial Discrimination	The Convention on the Elimination of All Forms of Racial Discrimination 1966 (CERD) was one of the first human rights treaties to be adopted by the UN. The convention has been ratified by Greenland and Denmark.	1965
European Convention on Human Rights	The Convention for the Protection of Human Rights and Fundamental Freedoms, better known as the European Convention on Human Rights, was the first instrument to give effect to certain of the rights stated in the Universal Declaration of Human Rights and make them binding. Implemented in Danish legislation in Act no 285 of 29 April 1992.	1953
International Union for the Conservation of Nature (IUCN)	IUCN helps the world find pragmatic solutions to the most pressing environment and development challenges. IUCN is a membership organization. Amongst the 13,000 state and non-state members is the Danish Ministry of Environment and Food.	1948
ILO Convention 87 and 98	The ILO Convention 87 ensures the Freedom of Association and Protection of the Right to Organize and the ILO convention 98 concerns the Right to Organise and to Bargain Collectively	1948 1951