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Sustainable Development

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Report of the Meeting on Preparing for Implementation

24–25 July 2000, Geneva

MMSD

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I. Introduction

On the 24 and 25 of July 2000, the Mining, Minerals and Sustainable Development (MMSD) Project held a meeting on 'Preparing for Implementation' in Geneva. A diverse group of 19 experts from different countries participated bringing varying experiences and perspectives [Appendix A lists participants].

The meeting involved a series of presentations and discussions related to implementation. Key goals of the meeting were to:

- Understand current expert thinking on implementation
- Learn lessons from other related experiences
- Gather considerations for preparing for implementation of the outcomes of MMSD and review some of the tools available
- Inform the selection of research themes
- Collect inputs for the work plan on implementation

These goals were largely attained through lively and constructive discussion in which participants provided valuable contributions to the approach that MMSD should develop towards implementation.

This document is a summary of the presentations and discussions which took place over the course of the meeting. Most importantly, it concludes with key factors to be considered by the MMSD Work Group in preparing for implementation.¹

¹ Over the course of the discussions, a number of important questions were raised concerning project issues of a more general nature. Particular concern related to the governance, purpose, scope and timeframe of MMSD. These concerns are summarised at the end of this document [Appendix C] and will be presented to the Assurance Group at the forthcoming meeting in Colorado (28 to 29 August 2000).

2. Background to Implementation

A key component of MMSD is preparing for implementation of its conclusions. Many stakeholders have questioned what we actually mean by ‘preparing for implementation’. This introduction explains our understanding of implementation generally, and in the context of MMSD. It also describes why we are preparing for implementation at such an early stage and how this relates to the other components of MMSD, namely; research and analysis, stakeholder engagement, and communication.

2.1 What do we mean by ‘implementation’?

A common-sense general understanding of implementation describes it as the series of processes, events and actions that occur after the issuance of a policy (course or method of action). Implementation includes the efforts to carry out the policy and the substantive impacts on people and the environment. For MMSD, preparing for implementation means looking for effective, efficient and acceptable mechanisms to carry forward its results.

We do not intend to engage in a theoretical discussion on this issue – it will be for stakeholders to define what the process of implementation should be in different scenarios. As expressed in the Draft Project Strategy “[e]xactly what that process should be, and how it can be complementary to, rather than duplicative of, other processes, will need to be looked at carefully, in close consultation with key actors, starting early on in the Project.”

2.2 Why is MMSD preparing for implementation at such an early stage?

There are important reasons to start talking now about how the positive outcomes from MMSD might be practically implemented and sustained. Among these are:

- *Informing the research agenda.* It is questionable how much of the project’s resources should be committed to lines of research or analysis in the absence of some sense that we can do something practical about the problems we are studying. In other words, we want to identify the areas where clear mechanisms of change are visible and concentrate resources there. Starting now is a way to ensure that the project does not end with the “what” without addressing the “how.”
- *Engaging stakeholders.* Many stakeholders may be reluctant to engage or stay engaged unless they see that MMSD is serious about change.
- *Building on existing knowledge.* There is a whole separate body of knowledge about the “how” questions, which deserves to be developed, understood, and synthesized for the project purposes. We are looking at a project with multiple and potentially quite different outcomes and we need to develop a variety of possible tools to sustain and carry these results forward.
- *Maintaining momentum.* The project may be able to create a certain amount of momentum on some issues. Once a consensus is reached on what the required change is, that momentum can be lost in some protracted discussion of what tools to use to do the job. Previously identified tools to implement the solutions need to be ready for the problems that are found.

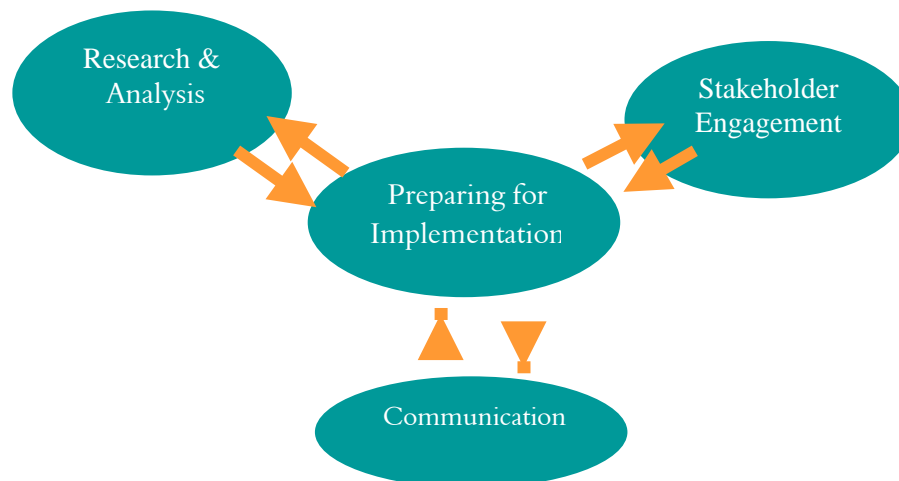
- *Sustaining achievements.* A number of concrete achievements are planned over the course of the next two years. These include: the establishment of regional processes; improved communications and networks; databases of stakeholders, initiatives and knowledge; and increased capacity, trust and understanding. It is important that, where possible, these achievements are developed in ways that can be sustained after the life of the central project.

2.3 Implementation and its interaction with the other project elements

MMSD is composed of four basic activities or elements, which are woven together in a dynamic and integrated process. These four elements are:

- Stakeholder engagement,
- Research and analysis,
- Communication, and
- Preparing for implementation.

These elements relate, interact, mutually reinforcing each other. From the perspective of implementation, this interaction can be illustrated as follows:



3. Lessons from Other Experiences

A number of presentations were made regarding the design of implementation processes based on similar initiatives from diverse perspectives. This section summarises these presentations and the discussions that followed them.

3.1 'Towards a Sustainable Paper Cycle' Study

KEY LESSON = GOOD ANALYSIS IS NOT ENOUGH

IIED's Paper Study was the first attempt to comprehensively assess the sustainability of the pulp and paper industry. The study focused in particular on developing credible and meaningful information for stakeholders.

- This project aimed to provide “raw material for a continuing debate”, expecting to set a precedent on how sustainable development should be considered in the paper industry rather than creating change directly.
- Implementation was not considered in the Paper Study. Perhaps not surprisingly, this resulted in little formal response to the conclusions of the study. No monitoring was put in place and, consequently, no direct implementation even from the companies who committed to the study.
- Some lessons from this initiative are that although you can never underestimate the importance of a good study, a) good analysis on its own is not enough, b) the engagement element is fundamental, and c) there is a need to be cautious that the recommendations are routed to reality.

3.2 Responsible Care

KEY LESSON = “20% talk, 80% walk”

Responsible Care is a voluntary, industry driven programme designed to improve the chemical industry's performance in health, safety and the environment. It includes a commitment from member companies to be open with the public and report on their performance. Responsible Care is coordinated by national chemical associations, including those of developing countries, and is often a condition of membership to these associations.

- Responsible Care's strategy is to bring companies to compliance, working with a group of companies that can steer the rest and affect the behaviour of other companies in the industry and the supply chain. The thinking behind this is that ‘it is easier to first get your own house in order’, and then the rest will follow.
- A positive indirect outcome of this initiative is that through increasing public awareness about health, safety and environmental issues, these voluntary agreements have also put pressure on the regulators to increase standards over the industry.

- A difficulty encountered in voluntary processes is that companies are sometimes reluctant to reveal all of their problems (health, safety and environmental) and this makes effective monitoring difficult.
- Another difficulty is that regional cultural differences are sometimes used as an excuse for non-compliance.
- On the other hand, differences in the sizes of operations make it difficult to have uniform standards. Notwithstanding that, it was suggested that double standards should not be allowed. This raises the issue of free riders. There are two types of free riders that must be dealt with differently:
 - The ones that don't care
 - The ones that can't care due to lack of resources. How to address the small operators.
- In addition to the above, the problem of a few irresponsible non-compliant companies damaging the image of the rest should be borne in mind.
- It was suggested that the process should have more mechanisms to prevent some companies from behaving irresponsibly. In the same vein, the issue of how to structure a system that punishes failure and rewards success was raised.
- It was remarked that Responsible Care as a process is continually improving.

3.3 World Commission on Dams

KEY LESSON = A NEW BASIS FOR DECISION MAKING
--

The World Commission on Dams (WCD) is testing a premise: that it is possible to agree on a new basis for reaching decisions on large dams that will satisfy all significant players in the dams debate that their principal interests have been adequately addressed. The WCD intends to improve the decision-making process when building large dams by bringing companies and affected communities closer to dialogue.

The presenter drew lessons from the WCD and related them to challenges faced by MMSD.

- It was suggested that successful implementation is based on two assumptions: a) there is a common understanding of what the changes that we want to carry out are, and b) there is demand for MMSD's results, e.g. there is a shared perception of the required change.
- Some other experiences have not been successful because the topics that they intended to address were/are too broad and, therefore, too hard to tackle. MMSD must be clear of its purpose (its nature and objectives).
- In addition to this, it is fundamental to undertake a stakeholder political mapping exercise: Who are the players? What do they want? What can they offer?
- To ensure that the project succeeds and the conclusions lead to change, there is a need to have a critical mass of stakeholders (in order to reach a tipping point). The question is how do you achieve that? It was suggested that MMSD develop an advocacy strategy to recruit stakeholders and build a constituency (get everybody involved in the project).

- In similar initiatives, there has been a time gap between the outputs and the implementation process. To avoid this, you need to consider the various implementation options at an early stage. The institutional follow up has to be specially considered – i.e. who will be responsible for implementation?

3.4 Some Experiences in Australia with Similar Initiatives

The presenter described three multi-stakeholder mining initiatives carried out in Australia. He explained a number of shortcomings in these initiatives, which are important for MMSD:

1. Failure to reassert the goal to the stakeholders
2. Problems in prioritising objectives, leading to unfulfilled expectations and disappointment
3. Lack of correlation or connection between parallel initiatives
4. Lack of clear rules of engagement for stakeholders

In order to avoid these difficulties in MMSD, he suggested:

1. Constantly reassert the objectives of MMSD to stakeholders
2. Get the right balance between general engagement to practical action
3. Demonstrate strong leadership in prioritising objectives and issues to be addressed
4. In the analysis, select key issues and case studies that can drive change. Determine what cannot be address now but should be tackled in the future.
5. Establish clear rules of engagement for stakeholders.

3.5 Implementation from the Perspective of Two Countries

In this section, two presenters described the complexity of implementation processes from the perspective of government in the Philippines and South Africa.

In the Philippines, the government faced significant challenges in trying to engage all stakeholders and to keep them engaged throughout the whole process. The main lesson learned from this initiative by the government has been the need to clearly inform stakeholders of the goals and to have fluid communication with them.

The South African representative reminded participants that, in terms of priorities, for many government departments the development of their natural resources to bring wealth to their people is a fundamental goal and this is reflected in policy developments.

3.6 Some Examples of Implementation Tools

Preliminary overviews of some of the implementation tools that MMSD should consider were provided by a number of participants. Presentations ranged from the use of legal and economic tools to sustainable indicators. The ideas provided a useful basis for ongoing

research by MMSD into the efficiency, effectiveness and acceptability of different tools in realising the objectives of sustainable development.

4. Hypothetical Case: Planning a Mining Operation in a Developing Country

Participants developed a hypothetical case to illustrate the complexities, from the perspective of balancing the objectives of sustainable development, of planning a mining operation in a developing country. This exercise highlighted the diversity of issues faced in regard to one potential mining operation and the consequent complexity of prioritising the objectives and implementing the outcomes of MMSD.

The discussion focused on secondary impacts. Issues raised included:

- Distribution of revenues
- Loss of primary forest
- Dislocation of local economy
- Speculating migration, health, crime, no capacity from the local community to face these effects
- Lack of clarity regarding boundaries of responsibility between different stakeholders
- Political impact
- Biodiversity
- Education
- Deficiency in the regulatory system
- Alternative developers if the big companies chose not to develop
- Beneficiation of the new product
- Intergenerational impact
- Upstream and downstream linkages: will you have a possibility to participate?
- Out-migration, disruption of families, and
- Governmental capacity, how do you create that?

Some participants felt that the case study was too complex and presented too many issues for effective consideration. Others disagreed, remarking that these are all commonly faced problems. It was stressed that MMSD needs to define its boundaries and define the depth into which it will go in its studies.

Although the case study used the example of a mine that will be developed, i.e. that is looking to the future, it was remarked that MMSD will also have to consider the present and the past – this increases the challenge of prioritising issues and defining boundaries.

This case evidenced the complexities of a multi-stakeholder process like the one MMSD is developing. In particular, it demonstrated the difficulties in defining the boundaries of responsibility between mining companies and those stakeholders who have traditionally taken responsibility for social, environmental and economic concerns. Finally, it emphasised the importance of considering implementation from the outset, and the need for tailoring recommendations for different issues, regions and processes.

5. Implementation and Other Elements of MMSD

This section contains a summary of the discussions relating to how the process of preparing for implementation feeds into the other project elements. The discussion complements the Work Group's understanding of the relationship between the different project elements (See Section 2.2).

5.1 Implementation - Stakeholder Engagement

5.1.1 Identifying stakeholders

Determining who are the 'key stakeholders' is crucial to ensuring that the implementation process is efficient, effective and acceptable. In particular, in identifying stakeholders it will be important to consider:

- Who is critical to the decision-making process?
- Who will ensure that change happens?
- Who will carry out this change?

5.1.2 Encouraging stakeholder engagement

- *What change do stakeholders want and who will benefit?* MMSD should find common purposes for stakeholders to engage in the project as a whole and in specific themes. If common goals are defined, and concrete moves to achieve these through implementation are determined, the project is more likely to have successful engagement. It was suggested that a common goal could be the desire to reduce the transaction costs.
- It was mentioned that it might be difficult to keep NGOs engaged for the whole two year period. To encourage involvement of stakeholders, some kind of up front commitment by the companies was suggested, such as a CEO manifesto showing their commitment.

5.2 Implementation - Research and Analysis

- MMSD must focus on *analysis for change*. Much of the analysis must focus on providing results that can lead to implementation.

- Given MMSD's focus on practical outcomes, MMSD should focus on 'gap analysis', organising existing knowledge rather than undertaking original research.

5.3 Implementation - Communication

- There was a strong feeling amongst participants that MMSD needs a 'face' - a clear purpose which stakeholders can relate to. The early definition of practical outcomes will be a major step towards achieving this.
- To ensure that there is sufficient support to implement its outcomes, it was suggested that MMSD develop an advocacy strategy.

6. Suggested Quick Steps for Implementation Work Plan

Participants provided useful advice on the way that MMSD should prepare for implementation following the meeting. Some of the next steps that MMSD should pursue are:

1. Develop a clearer definition of what is meant by 'preparing for implementation'. Alternative phrases suggested by participants were "*laying the basis for implementation and building confidence*" and "*planning for change*".
2. Determine who the fundamental stakeholders are who can produce change. What can they bring to the project?
3. What has been achieved so far? It was suggested that a review of what is already being done in the mining and mineral product sector would be useful, e.g. a compilation of the recommendations from meetings, policies, codes, etc.
4. Develop a conceptual framework for sustainable development in the mining and mineral product sector.
5. Review the lessons learned from other experiences in mining and other sectors.
6. Establish communication mechanisms for information and dialogue on implementation through MMSD and stakeholder networks.
7. Establish a research database containing implementation tools and processes.
8. Develop a demonstration implementation project.
9. Consider the follow up to MMSD. Who will implement and monitor its outcomes?
10. Put an implementation toolkit together that contains examples of model regulations, clauses or contractual conditions.
11. Include a recourse mechanism within implementation that may be brought to challenge cases that do not comply with MMSD's recommendations.

7. Ten Considerations for Designing Successful Approaches to Implementation

In this section, we have summarised some considerations discussed in the meeting that must be borne in mind in preparing for implementation. We have called these the “10 Considerations”:

1. Commitment: How to generate, sustain and energise commitment? What actions need to be taken up front, during and after the two years? How to generate systemic not episodic change?
2. Common Purpose: How to create the space for negotiating clear and common purposes? What’s in it for different stakeholders (‘political mapping’)?
3. Rules of Engagement: How to ensure a legitimate process? How to cope with the reality of intermittent engagement by many stakeholders?
4. Prioritisation: How and when to shift gear towards specifics and prioritise actions? How to choose case studies that can drive change? How to determine those issues that will not be addressed by MMSD?
5. Co-ordination: How to avoid parallel processes and fragmentation of effort? How to ensure that, where necessary, different stakeholders act according to the same timeframes and that some do not have to play catch-up?
6. Incentives: How to provide rewards for action and deal with inevitable free riders?
7. Capacity: How to recognise and make best use of the strengths and weaknesses in the capacity of different stakeholders. How to minimise the opportunity costs of involvement and deal with engagement overload and fatigue?
8. Bridging the Gap: How to plan so as to overcome the gap between results and action? How to develop a critical mass and reach the ‘tipping point’?
9. Feasibility: How to ground effective implementation in different contexts and realities?
10. Measurability: How to ensure that the uptake of results can be measured?

Annex A: List of Participants

Participants

Fritz Balkau, United Nations Environmental Program, France
Laura Barreto, Centro de Tecnologia Mineral, Brazil
Tom Burke, Consultant for Rio Tinto, UK
Michael Cabalda, Department of Environment and Natural Resources, Philippines
Margaret Flaherty, World Business Council for Sustainable Development, Switzerland
Claude Fussler, World Business Council for Sustainable Development, Switzerland
George Greene, Stratos Inc., Canada
John Groom, Anglo American, UK
Katherine Hagen, International Labor Organization, Switzerland
Mark Halle, International Institute for Sustainable Development, Switzerland
Beatrice Labonne, United Nations, Switzerland
Jim McElfish, Environmental Law Institute, USA
George Littlewood, Consultant WMC Resources Ltd, Australia
Jim Otto, Institute for Global Resources Policy, Colorado School of Mines, USA
Willem Perold, Department of Minerals and Energy, South Africa
Michael Rae, WWF, Australia
Anita Roper, Global Mining Initiative, UK
Guy Thiran, Eurometaux, Belgium
Alyson Warhurst, Mining and Energy Research Network, UK

Work Group

Luke Danielson, Project Director
Caroline Digby, Research Manager
Patricio Leyton, Research Fellow
Nick Robins, Project Rapporteur
Elisabeth Wood, Assistant Project Manager

Annex B: Meeting Agenda

Monday 24 July

9:00 Welcome and introduction to MMSD

Luke Danielson (Director of MMSD) will welcome participants and provide an overview of the MMSD project's objectives and work plan.

9:30 Getting to know each other

Participants will introduce themselves.

9:45 Meeting goals and objectives

Elisabeth Wood (Assistant Project Manager) will describe MMSD's initial ideas on preparing for effective implementation of the MMSD project, and will explain the meeting's objectives and agenda. Followed by discussion.

10:15 Lessons from IIED's experience - 'Towards a Sustainable Paper Cycle'

Nick Robins (Project Rapporteur) will talk about the extent to which the paper study influenced industry's policy and practice. The study examined the sector's life cycle impacts and prospects for sustainability. More than 70% of the paper industry worldwide were involved in the study, along with many key stakeholders. Followed by discussion.

10:45 Refreshments

11:00 Lessons from other global and similar initiatives

Mark Halle (World Commission on Dams), Claude Fussler (Chemical Industry, Responsible Care) and George Littlewood will make brief presentations on lessons from similar initiatives regarding the design of implementation processes. Followed by discussion.

1:00 Lunch

2:00 Different implementation tools and perspectives

Micheal Rae (WWF), Alyson Warhurst (MERN) and Michael Cabalda (Department of Environment and Natural Resources, Philippines) will begin discussion on the use of different tools for achieving sustainable development. Tools will include certification, corporate change, indicies, and regulation. Discussion will focus on the effectiveness, efficiency and credibility of these tools in achieving social, environmental and economic goals from the perspective of the various stakeholders. Brief presentations followed by discussion.

3:30 Refreshments

3:45 Different implementation tools and perspectives - continued

Willem Perold (Department of Minerals and Energy, South Africa) Jim Otto (Institute for Global Resources Policy) and James McElfish (Environmental Law Institute) will continue from the previous session with discussion of policy change, fiscal instruments, and regulatory options from a legal perspective.

5:00 – 5:30 Summing Up

Recap of day and introduction to Tuesday's agenda.

Evening Dinner (venue and time to be confirmed)

Tuesday 25 July

9:00 Considerations in design of the implementation process

Based on Monday's discussions, George Greene (Stratos Inc. -Strategies to Sustainability) will propose a number of considerations that need to be taken into account when designing an effective implementation strategy. Followed by discussion.

10:30 Refreshments

10:45 Hypothetical outcomes from MMSD

Participants will be divided into small groups to brainstorm on a limited number of hypothetical outcomes from MMSD and appropriate tools to meet them. Each group will then be asked to report back on their ideas. Agreement on 3 or 4 hypothetical outcomes for testing will be reached.

11:45 Preparing the groundwork for the implementation design

Using the hypothetical outcomes, small group discussions on how these would be implemented will follow as a means to illustrate the practical strengths and weaknesses of different approaches in the context of MMSD. Groups should draw on the considerations and tools discussed earlier in the workshop.

1:00 Lunch

2:00 Preparing the groundwork for the implementation design – continued

Continuation of small group discussions and report back.

3:30 Refreshments

3:45 Lessons for MMSD: Developing a Work Plan

Drawing on the workshop discussions, participants will be asked to contribute ideas towards the work plan for an effective implementation process.

5:00 - 5:15 Closing Remarks

Annex C: Five Big Questions for MMSD

A number of important questions were raised concerning project issues of a more general nature. We have grouped these concerns into five major areas and summarised them below. The Work Group intends to respond to these concerns and will be presenting them to the Assurance Group at the forthcoming meeting in Colorado (28 to 29 August 2000).

1. Governance: Who controls the process and the outcomes?
2. Purpose: What is the ultimate goal of the project?
3. Scope: What are the boundaries to the project in terms of issues to be addressed, stakeholders and outcomes?
4. Timeframe: How realistic is the 2002 deadline – at the global and regional levels – particularly given the increasing ambitious targets?
5. Agency: Who's going to carry the baton forward given that IIED's involvement is limited to a two-year mandate?