

Mining, Minerals and Sustainable Development

Assurance Group

First Meeting

Selsdon Park, 21-23 May 2000

Minutes – Second Draft

Attendance

MMSD Work Group: Luke Danielson, Richard Sandbrook, Elisabeth Wood,

Observers: Anita Roper, Robert Court, Damien Roland

Assurance Group members: Roger Augustine, Patricia Caswell, Douglas Fraser, Jay Hair, Antonio La Vina, Daniel Meilan, Glen Miller, Duma Nkosi, Manuel Pulgar-Vidal, Leon Rajaobelina, Osvaldo Sunkel, Helmut Weidner

Apologies: Maria Ligia Noronha, Charles Secrett, Doug Yearley

1. The Global Mining Initiative (GMI)

The GMI was established in October 1998 by a group of mining companies who recognised that their traditional defensive approaches to environment and community issues had failed, and that new solutions were required to a set of entrenched problems summed up by the challenge of sustainable development (SD). The GMI has launched four tracks of work in response:

- a) The MMSD, which was launched by the GMI and is now managed by IIED;
- b) A review of industry associations;
- c) A major conference in May 2002; and
- d) Work on SD within the companies.

Discussion clarified a number of points:

- Though initiated by companies, the work of MMSD is intended to be entirely independent;
- Overcoming suspicion from other stakeholders, assuring them of the project's independence, and encouraging them to get involved is an important task;
- Transparency is one of the keys to achieving this;
- The variety of corporate groups involved in GMI and which helped originate MMSD urgently needs to be clarified to ensure understanding; and
- Local offices, subsidiaries and affiliates of sponsoring companies in the regions often have not heard of MMSD or GMI – posing an internal challenge for participating companies.

2. Introduction to MMSD

The MMSD is made up of four inter-linked pillars of activity:

- **Research and analysis** – systematising existing knowledge, identifying gaps and carrying out targeted work in critical areas.
- **Stakeholder engagement** – an interactive relationship whereby stakeholders help set research priorities and discussions are in turn informed by analysis.
- **Communications** – creating an open process to improve understanding of MMSD and counter distrust.
- **Implementation** – developing a clear and accepted process for action from the design stage.

Key outputs envisioned at this stage include:

- A defined implementation process
- Principles for engagement
- 3-4 global dialogues
- Stronger research capacity
- A thorough survey of information, accessible via CD-ROM
- A main report, sub-reports and versions for different audiences
- An agenda for future research
- Platforms for onward engagement at the regional level
- Action agendas
- Inputs to the other elements of the GMI process

Feedback on the main lessons of the Strategic Planning Workshop on 5-6 May highlighted the following issues:

- There can be no presumption of trust by stakeholders;
- There were concerns about the motivations of the GMI;
- Questions were raised about what the MMSD's quest for partnership meant in practice;
- Sustainable development is a contentious issue and its implications for minerals are not clear;
- Fears were expressed about how MMSD might compete with existing initiatives;
- More clarity was required on the definition of the regions and the stakeholder processes foreseen;
- Communications efforts need to be strengthened;
- There is a need to define the scope of the project;
- There is a desire to learn more about what MMSD is going to change; and

- A general conclusion shared by many participants that MMSD is a unique and important opportunity. If it fails, it would be very hard to recreate the conditions to get something like it going again, and that it is critical that the project leadership should be *bold*, and move *fast*.

3. Research and Analysis

The MMSD team aims to reinforce rather than take away from existing research initiatives, and strengthen research capacity. It has a range of possible tools for research at its disposal, including junior research fellows; contracted research; research by regional centres; research task forces; and global dialogues.

Following the Strategy Planning Workshop, the IIED team had adopted the phrase 'analysis for change' to describe its research programme. A critical task for MMSD in the near future is to define the scope of the project in terms of minerals coverage, the value chain, sustainable development issues and levels of analysis (micro-macro). The discussion highlighted the following points:

- There is a recognition that the world has entered a new phase of development, symbolised by sustainable development – a syndrome not a single thing;
- The focus is not on the sustainability of mining, but on generating sustainable processes for economies, communities and nature – building up an asset for multiple benefits into the future;
- Sustainability will not mean the same thing for different minerals: for example, sustainable copper vs. sustainable coal;
- Downturn of mining economies (e.g. gold in South Africa) can lead to substantial labour displacement -- need to think in terms of a 'just transition';
- There is no right to mine any mineral, any where, any time;
- There is a need to establish recognised rights which guarantee a setting within which wealth distribution can take place fairly;
- There was a recommendation *not* to include coal and construction minerals (e.g. sand) in the project scope, but to focus on hard rock mining;
- The focus for analysis should not just be the changes required by corporations, but what all stakeholders need to do;
- Artisanal/small-scale mining is important for many countries;
- There is a need to emphasise the ecosystem/landscape impacts of mining and relations with protected areas;
- The role of mining in national economies is a critical issue, particularly for many developing countries in the context of privatisation and declining job creation opportunities;
- The mining finance sector needs to be involved heavily in MMSD, and the role of this sector in the transition to sustainability understood;
- Critical to analyse the division of responsibilities for sustainable development between different actors;
- Addressing the cultural and institutional barriers to change is vital;
- The project has to be seen to be addressing the tough issues and the hard cases;
- Focus on financial instruments to ensure that agreements kept by mining companies; and
- A special effort is required to encourage the juniors to get involved.

A taxonomy of potential topics for analysis was drawn up during the meeting. Three criteria were suggested as ways of narrowing down the analytical agenda:

1. Does it advance the project's objectives?
2. Are there likely to be concrete ways of implementing the results?
3. Is someone else doing it?

Action: IIED will present a paper on the different perspectives on sustainable development and the diversity of ways in which it can be applied to mining and minerals for the next meeting of the Assurance Group.

4. Regional Processes

MMSD cannot cover the whole world in the time and budget available. Visits by RS and LD have helped kickstart a number of processes in certain regions, but nothing has been formalised. The aim would be to commission regional centres in 5-6 regions to work in partnership on all four pillars of the project by September 2000 and to hold initial stakeholder conferences by February 2001.

North America: still to be decided whether separate US and Canada processes, or an integrated NAFTA effort;

Latin America: will probably build on the MPRI network, but there needs to be a serious Latin American partner;

Australasia: a consortium has been formed, but uncertainty whether this should cover PNG/Oceania;

Africa: a desire to take a SADC focus, with additional countries (Madagascar, Ghana...);

ASEAN: nothing established as yet, going to be contentious in Indonesia and Philippines and not able to avoid Marcopper, Freeport...;

Europe: likely to be EU plus Accession states;

FSU: at an initial stage only; and

India and China: still to be visited.

The discussion revealed the need to clarify the rationale for regional rather than national processes: for MMSD, the critical issue is to have a decentralised channel of stakeholder input and analysis into its overall programme – and a way of involving non-TNC industry in its work. But it will be difficult to involve communities directly in the work of MMSD, because of time and lack of capacity. In addition, for regions that are not covered with a full stakeholder process an outreach programme could be designed to present results and perhaps stimulate local exercises post-MMSD, especially for North Africa, the Sahel, Central Africa and the Caribbean.

5. Stakeholder Engagement

MMSD proposes to engage with stakeholders in a number of ways – with the Assurance Group being an important forum for feedback and critique. To get the process underway, it was proposed to hold a meeting of the regional partners to

share experience on approaches to stakeholder engagement to develop common expectations. A second meeting could then be arranged at the end of the project to consolidate lessons from the engagement exercises. A co-ordinator for stakeholder engagement will be appointed in the near future at IIED to manage these processes.

There was general support for the spirit of open engagement as a way of addressing the prevailing lack of trust. Special concern was expressed about how to ensure that the engagement process was carried out both effectively and fairly across the world. Concern was expressed, however, about whether the project should develop as an outcome some guidelines for stakeholder engagement in mining projects as these could be open to abuse. This subject needs more thought.

6. Communications

A smart communications strategy was essential for the MMSD, one that combined honesty with sophisticated mechanisms for informing key target audiences about its mission, activities and results, putting it in context and highlighting its unique nature. Thought needs to be given on how to 'market' the project – including its title MMSD: "an intolerable name". The project has to be proactive – partly to counter misperceptions wilful and otherwise that may exist – and therefore the generation of a single, consistent message for all involved in MMSD is critical.

Each event held by the MMSD is a potential communications opportunity, including TV media. It was also important to draw on the considerable communications experience of AG members – and recognise them as ambassadors for the project. An initial focus would be on communications experts in a range of organisations to raise awareness of the project's existence and objectives. The website has to be attractive and interactive (potentially including streaming video). One possibility is to encourage journalists to follow the project from the start.

Action: IIED to develop a 'Q&A' on MMSD for AG Members.

7. Implementation

If implementation of the MMSD's findings is to happen effectively, it must be designed from the beginning – like mine closure. It is important to avoid surprises and to involve key stakeholders in the discussions from an early stage in the type of actions that could be proposed. During June-August, IIED proposes to bring together a set of experts in implementation of similar initiatives to brainstorm on concepts, and then put these to a number of meetings of individual stakeholder groups (Aug-Sept) and then to present options to broader audiences (Nov-Dec).

8. Budget

A brief sketch of the evolving budget projections was presented. Companies have committed to finance \$3 million, equivalent to 60% of the budget put forward in the initial Scoping Report. The likely cost now looks like c.\$8.5 million. Fundraising was actively underway with international institutions as well as for in-kind contributions from not-for-profit agencies. It is not the role of the Assurance Group to help with fundraising, though suggestions are welcome. The possibility of raising additional funds from corporations was not ruled out, but the MMSD would need to demonstrate

that it could deliver and that it had attracted other sponsors. Funds raised will flow via WBCSD or go directly to IIED.

The Assurance Group underlined the importance they attached to attracting non-corporate sponsors to the project, and stressed that tight financial control at the regional level will be needed. Equally, it was important to quash the image of the project as a potential cash-cow.

Action: IIED will present a formal budget to the AG by the end of June.

9. Assurance Group

Jay Hair was elected interim chair of the group and Damien Roland, attending the meeting as an observer, was elected as a full member.

The draft charter for the Group was presented, discussed and amended.

Members gave their priorities for finalising the composition of the Group, including:

- **Geography:** China, Japan, Brazil, Indonesia, Central America, West/Central Africa, Russia/FSU;
- **Stakeholder:** Local labour, international environmental activist, local advocacy group, indigenous from the developing world, downstream and end-use, scientist, international and private finance, media, human rights and youth (?).

The Assurance Group decided to take responsibility for choosing the remaining members for the Group in consultation with the Project Co-ordinator and Project Director. The selection process will be treated with the utmost sensitivity.

In terms of honoraria, each member of the Assurance Group should be entitled to an honorarium of £300 per day of meeting, unless voluntarily renounced or donated to charity. At no time, should members be out of pocket due to their participation.

Action: By the end of May, suggestions of possible members to RS and LD, and by the end of June letters of invitation to be sent out.

10. Next Meeting

It was proposed to hold the second meeting of the Assurance Group during the last week of August, probably in the USA. It was proposed that new members should be invited a day early to provide an opportunity for a background briefing. Provisional items for the agenda include:

- Ratify minutes of last meeting;
- Research strategy and sustainable development conceptual framework;
- Regional partners;
- Results of implementation brainstorm;
- Budget;
- Engagement process; and
- Communications strategy.