



**Mining, Minerals
Sustainable Development**



International
Institute for
Environment and
Development

A GUIDE TO MMSD

1 October 2000

Table of Contents

1	INTRODUCTION	3
2	THE MMSD PROJECT	3
3	PROJECT OBJECTIVES	3
4	PROJECT GOVERNANCE	4
4.1	Conditions for Success: Getting The Process Right	4
4.1	Transparency	6
4.2	Project Governance	6
4.2.1	Project Governance at the Global Level	6
4.2.2	Governance of Individual MMSD Activities	7
4.2.3	Governance of Regional Centres	8
5	PROJECT STRUCTURE	9
5.1	The Project Centre	9
5.2	MMSD Research And Analysis	9
6	A PROJECT TIMELINE	10

A GUIDE TO MMSD

1 INTRODUCTION

The purpose of this Guide is to present, in one document, a clear picture of the governance and structure of the Mining, Minerals and Sustainable Development (MMSD) Project. It is designed as a complement to *An MMSD Briefing Paper*. The paper describes the conditions for Project success, including meaningful and trustful engagement of stakeholders. It lays out the governance structures at global and regional level as well as at the level of individual activities. Finally it explains the organisation of the Project Centre and the means through which research and analysis will be undertaken.

2 THE MMSD PROJECT

MMSD is an independent process of multi-stakeholder engagement and analysis with the objective of *“identifying how mining and minerals can best contribute to the global transition to sustainable development”*. Beginning in April 2000, it is a two-year project designed both to produce concrete results during this period, and to create structures capable of being carried forward thereafter. A key product of MMSD will be a project report to be presented during the proposed Earth Summit in 2002.

MMSD was been initiated by the World Business Council for Sustainable Development (WBCSD) as one of a number of projects being supported by the Global Mining Initiative (GMI). GMI was formed by the Chief Executive Officers of several of the world’s principal mining companies. The project is managed by the International Institute for Environment and Development (IIED) in London, UK, under contract to the WBCSD.

The objectives of MMSD are explained in a Scoping Report prepared by IIED for the WBCSD in 1999, which suggests why a new initiative is needed, and how it will work. The Scoping Report, and other information about MMSD, is available on the IIED web site at www/iied.org/mmsd/.

3 PROJECT OBJECTIVES

The Scoping Report defines four objectives for the MMSD Project. These remain unchanged and are:

- *First, ANALYSIS -- to assess global mining and minerals use in terms of the transition to sustainable development – its track record in the past and its current contribution to and detraction from economic prosperity, human well-being, ecosystem health and accountable decision-making;*
- *Second, FUTURE SCENARIOS -- to identify if and how the services provided by the minerals system can be delivered in accordance with sustainable development in the future;*

- *Third, an **ACTION PLAN** -- to propose key elements of an action plan for improvement in the minerals system; and*
- *Fourth -- crucial for long-term impact – **TO CREATE MECHANISMS** -- to build a platform of analysis and engagement for ongoing cooperation and networking between all stakeholders.*

4 PROJECT GOVERNANCE

4.1 Conditions for Success: Getting The Process Right

The Scoping Report recognised that success depends on getting the MMSD process right from the outset. Multi-stakeholder processes of the sort envisaged are likely to work well when:

- The process is inclusive and all those with an interest are invited to participate at an early stage.
- Everyone involved is committed to the vision and the process.
- All groups feel that they have equal influence in the process.
- There is continuity in the process and in representation from each group.
- The process is independently facilitated.
- Agreements made as a group are honored until the end of the process.
- The process is complemented by excellent analysis.
- There is commitment to implement the recommendations.
- The process is independent and is seen to be independent.

We are also well aware that problems are likely to arise if:

- There are conflicting expectations about the purpose and outcomes of the process
- Unrealistic deadlines are set
- Lines of accountability and decision making processes are not transparent
- One type of stakeholder is felt to have more control or influence than the others.

It was recognised clearly in the Scoping Study that for the MMSD Project, trust needs to be built **before** deciding on the final process. In particular, it is important that the early stages of the Project are as flexible as possible and that decisions are not rushed.

This continues to be the case. It implies a style of decisionmaking that balances the need to move the Project forward to results against the need to ensure that both the process and the results are as broadly acceptable as possible. The value of the Project results will be directly proportional to the level of “buy in” by the various interested stakeholders, and any attempt to force the pace unduly therefore places the results at risk.

Trust is not built overnight. Any process which attempts to catalyse change by operating in the “space in the middle” – responsive to the concerns of all interested parties while being controlled by none of them – must establish its credibility and *bona fides* with

audiences who have learned from hard experience to distrust engagement. Among the challenges the Project faces in this regard are:

- Whether a Project started by an industry which has had many disagreements with development, human rights, and environmental NGOs can create conditions in which those interests feel they can engage with the Project in a way that meets their objectives, justifies their investment of time and effort, and does not put their vital interests at risk.
- Whether a Project started by employers can achieve sufficient independence to be trusted by trades unions and mine workers.
- Whether a Project started by large multinational mining companies can give adequate respect and credence to the concerns of smaller companies, national enterprises, and small and artisanal producers.
- Whether we can develop a process that is not potentially dominated by highly organised stakeholders with a high level of capacity and resources, but create conditions under which less tightly organised groups with less capacity and resources, will have their interests respected and protected in the process.
- Whether we can develop a process that does not become dominated by people from industrialised countries who have the resources and contacts to participate in international events and lose the experience and contribution of developing country stakeholders.
- Whether a project initiated by mining companies will effectively and fairly address issues at other stages in the product life cycle.
- Whether those whose principal interests are as consumers of the industry's products can engage on an equal basis with producers.

There is every need to be realistic about these concerns. This Project will not overcome all of these obstacles. When the Project ends, even under the most optimistic outcomes, there will still be more than a little mistrust.

MMSD operates on the premise that as difficult as it may be, effective engagement that overcomes many of these obstacles is in the long run an inescapable necessity. *There is no alternative*, for any of us, if there is to be a transition to a more sustainable society. Therefore, the Project should be considered a success if it points the road to more effective engagement in the future, and begins the journey down that path.

Certainly, this Project is the most ambitious and potentially effective effort yet to achieve such engagement on the broad sustainable development agenda in the mining and minerals sector on a global basis.

4.1 Transparency

MMSD operates with a high degree of transparency. Copies of all of the principal MMSD documents will be posted on the Project website, www.iied.org/mmsd/.

There are a number of areas in which there is a clear need for a degree of confidentiality, such as personnel matters, some internal staff discussions, and certain communications from stakeholders which by their nature are intended to be confidential.

Outside of areas such as these, our policy is to make available information reasonably requested by any outside party.

4.2 Project Governance

The Project some months ago made the decision to decentralise some of its activities, as documented in the March 2000 Project Strategy and the July and August 2000 Draft Work Plans.

This decentralisation takes two forms:

First, MMSD, often in conjunction with other partners, is developing specific *Activities*, which will engage stakeholders around a limited number of *strategic issues* at the global level. Because of the involvement of external partners, and the fact that each Activity implies the engagement of a different set of stakeholders, who require assurance that the Activity will be managed in a way which respects their interests, most Activities will have at a minimum a review committee, steering committee, or other such governance structure of their own.

Second, MMSD has determined to conduct much of its work by forming regional partnerships in a number of the principal mineral producing and consuming regions of the world. It is vital to the success of these endeavours that each of the developing Regional Centres have its own consultative process resulting in a governance structure which is satisfactory to them, autonomous, transparent, and holds them accountable.

There are therefore three sets of governance issues: (a) overall Project governance; (b) governance of Activities; and (c) governance of regional centres.

4.2.1 Project Governance at the Global Level

The scale of the Project and stakeholder sensitivities demands that the governance structure is beyond doubt. In essence the Project requires strong leadership without being under the control of any one group. In order to best achieve the objectives of MMSD, governance at the global level balances the roles of three bodies:

- **The Sponsors Group**, convened by the World Business Council for Sustainable Development (WBCSD), represents those organisations supporting and financing the Project. It is to be composed of both commercial sponsors and noncommercial

sponsors. It communicates with the Work Group and the Assurance Group through the Project Coordinator, Richard Sandbrook.

- **The Work Group** plans, budgets for and executes the Project. It is centred at the International Institute for Environment and Development in London. Its members are employees of IIED and report to Luke Danielson, the Project Director. He in turn reports to IIED's Executive Director, Nigel Cross. Relations between the Work Group and the Sponsors Group are governed by a contract between IIED and the WBCSD.
- **The Assurance Group** is made up of recognised individuals from key stakeholder groups. Its key responsibility is *project assurance*, guaranteeing the quality and integrity of the work by way of peer review. It oversees the content, conduct and design of the Project, and provides regular advice to the Work Group. The Assurance Group currently has seventeen members but will eventually expand to approximately 24. All new members of the Assurance Group will be proposed by a Nominating Committee composed of four members of the Assurance Group and three outside members with no relationship to the Project.

Communication and coordination among all these groups is facilitated by the Project Coordinator, Richard Sandbrook.

Charter Working Group. The powers, responsibilities, and roles of these three groups were spelled out in "indicative terms of reference" in the Scoping Study. These did not purport to resolve all issues or address all necessary details and are in the process of being replaced by Charters for each of the respective Groups. These Charters are being finalised by a Charter Working Group under the leadership of Dr. Jay Hair, former President of IUCN and the interim Chair of the Project's Assurance Group. The Charter Working Group has representation from the Work Group, the Assurance Group, and the Sponsors Group, as well as distinguished outside members.

4.2.2 Governance of Individual MMSD Activities

Each of MMSD's Activities will be conducted according to an agreed terms of reference. In some cases, these will be contracts or memoranda of agreement with external partners with which MMSD has jointly established the Activity. In other cases, they may be terms of reference for a review committee, advisory committee, or other such body, or the terms of a proposal submitted by an outside organisation which has championed the Activity.

All Activities will be reviewed by MMSD's Coordinator for Stakeholder Engagement, Frank McShane, to ensure that they have appropriate provision for engagement of the key external stakeholders. The form that involvement takes will depend on the scale of the Activity, its nature, and other factors likely to be specific to each Activity. Activities will also be reviewed by Caroline Digby, Research Manager, for analytical rigour and consistency.

4.2.3 Governance of Regional Centres

MMSD is in the process of developing regional partnerships with organisations in several of the principal mineral consuming and producing regions of the world. Each of these relationships will be governed by a contract between MMSD and a regional partner organisation.

MMSD views its interest as being to encourage the broadest possible autonomy for the regional processes, and is acutely aware that such items as governance must represent a delicate balance among stakeholder interests which is very hard to establish or judge from London. In terms of governance, our negotiations and contracts for the regional centres will seek to ensure that each centre has the following elements:

- **A multistakeholder regional steering committee or advisory group** designed to insure that the centre remains open and responsive to divergent interests and views.
- **A regional sponsors group** which will provide resources to expand and deepen the centre's work.
- **A partner institution** which will execute and administer the Project under the direction of a Project Coordinator.
- **Access.** That all stakeholders in fact be afforded access to the process.
- **Acceptability to key stakeholders.** Centre arrangements should not be unacceptable to any of the principal stakeholders in the region.
- **Transparency.** That there be a high degree of transparency in the activities of the centre.
- **Regional orientation.** Regional partners have a commitment to working broadly on a regional rather than exclusively national basis.
- **Peer review.** There should be a mechanism for ensuring that the final regional report will be peer reviewed by a legitimate multistakeholder process, in something like the same way the output of the Work Group at IIED will be reviewed by our Assurance Group. Important dissenting or divergent viewpoints need a place in the final output.

Work done through regional centres will be of three types:

1. A report, in an agreed format, on a series of defined issues within the region. The template for these reports will be developed at the Project Centre in close consultation with regional partners.
2. In depth research and stakeholder engagement around priority issues as determined by regional partners through consultation with stakeholders in the region.

3. Research and stakeholder engagement on special projects. Special projects will be developed with funding made available by specific donors for identified purposes.

Beyond a limited number of such “boundary conditions” the regions need to determine the process.

MMSD has developed a document entitled “Guidelines for MMSD Regional Partners” which deals with these issues in much more depth.

We anticipate that the regional centres will do some work in house and other work by contracting it out to qualified researchers on individual subjects.

5 PROJECT STRUCTURE

5.1 The Project Centre

The centre of the Project is the Project Work Group at the IIED in London. The Work Group is guided by a Project Director Luke Danielson, Assistant Project Manager Elisabeth Wood, and Project Administrator Sarah Henson.

The MMSD management team, in addition to the Project Director, consists of:

- **Research and Analysis.** Caroline Digby, Research Manager, *Caroline.Digby@iied.org*
- **Stakeholder Engagement.** Frank McShane, Coordinator of Stakeholder Engagement, *Frank.McShane@iied.org*
- **Planning for Outcomes.** Elisabeth Wood, Assistant Project Manager, *Elisabeth.Wood@iied.org*
- **Information, Communication, Dissemination.** Ray Doucet, Communications Coordinator, *Ray.Doucet@iied.org*
- **Administration.** Sarah Henson, Project Administrator, *Sarah.Henson@iied.org*

5.2 MMSD Research And Analysis

MMSD has the capability to call on a wide set of resources for research and analysis.

- **Research Fellows.** MMSD has a number of able Research Fellows who are undertaking important research tasks in house. Fellows have advanced degrees in a variety of disciplines. Most of them have substantial practical experience as well, and have come here from Chile, Canada, South Africa, Australia, Peru, all important mineral producing regions.

- **The International Institute for Environment and Development.** IIED has for many years been one of the world's leading research institutions in the field of sustainable development, and MMSD is able to call on other programmes within the institute for support.
- **Partner organisations.** MMSD is working in partnership with organisations with ongoing programmes of work in this field.
- **Contracted research.** MMSD is also contracting specific research tasks to a variety of distinguished individuals and institutions in different countries.
- **Regional partners.** One of MMSD's most exciting capabilities is to do research through its developing network of partner organisations in the world's principal mineral producing and consuming regions. These regional partners have both in house research capabilities and the ability to contract studies through their regional networks. (A document entitled *Guidelines for Regional Partners* has been written as a complement to this paper.)

6 A PROJECT TIMELINE

A Detailed Project time line is available on our web site. It contains or will contain detailed dates of workshops, meetings, and other activities as they develop. As far as the Project's governance and structure is concerned, these are the most critical dates:

- | | |
|--|--------------------------|
| • Scoping Report completed | October 1999 |
| • First staff begin work | 3 April 2000 |
| • Strategic Planning Workshop | 5/6 May 2000 |
| • First Assurance Group meeting | 28/29 May 2000 |
| • Commercial Sponsors Briefing | 7 July 2000 |
| • Workshop: Planning for Outcomes | 24/25 July 2000 |
| • Second Assurance Group meeting | 28/29 August 2000 |
| • Sponsors Group meeting | 13 October 2000 |
| • First Interim Report published | November 2000 |
| • Southern Africa stakeholder meeting | 16/17 November 2000 |
| • Regional Partners workshop | December 2000 |

- Third Assurance Group meeting 22/23 January 2001
- Draft Final Report Due 31 December 2001
- GMI Meeting in Toronto May 2002
- Tentative Rio + 10 Earth Summit September (?) 2002