



## PROJECT NEWS BULLETIN

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## ASSURANCE GROUP MEETS IN JOHANNESBURG, SOUTH AFRICA

MMSD's Assurance Group held its fourth meeting in Johannesburg, South Africa on 7-8 May 2001. This was a special occasion for the group as the Chief Executive Officers (CEOs) of four mining companies and other representatives from MMSD's Sponsor Group, alongside members of MMSD Southern Africa's Steering Committee, the MMSD Work Group and representatives from all the Project's Regional Partners, were present. A number of interested observers also participated in the discussions held over the two-day gathering.

This meeting – hosting over 100 people – presented a unique occasion for exchanging ideas within a congenial yet potentially divisive environment. Indeed the discussions were enriched by the different opinions brought to the table. The attendees included CEOs Sir Robert Wilson (Rio Tinto), Hugh Morgan (Western Mining Company), Simon Thompson (Anglo American Base Metals) and Richard Menell (Anglovaal).

From the opening, Assurance Group Chair Jay Hair proposed the theme of the discussions be expectations. In a discussion of several of the principal challenges facing the mining sector all were asked to give their respective expectations of the MMSD Project. As a result, no one was left in any doubts as to the challenges ahead. The topics discussed ranged from the management of mineral wealth at national level to riverine disposal as a form of waste disposal. The need for minerals and the cost of getting them, and the record of the industry were among the issues coming up in the debate.

Possible outcomes and mechanisms which might be adopted to address some of these challenges were also discussed. The dialogue centred mainly on the speed at which change could happen and the kinds of decision making processes that may be in place at end of MMSD. This was not an easy conversation – all sides recognised that they have to live within constraints.

After the CEO exchange, the MMSD Southern African Work Group described the progress of research and consultation being undertaken in the region. Members of the Southern Africa Steering Committee reflected on the significance of the regional process from their individual perspectives. While the level of engagement in the region is still developing, it was indicated that the regional dialogue that is arising is a positive start. The passion of the presentations on HIV issues, the importance of the sector to Southern Africa's efforts in poverty alleviation, the thousands of livelihoods dependent on artisanal mining, the struggle to re-write the minerals law of South Africa (now well underway) and other issues emphasised that this is not a simple undertaking. It involves many people and the economies of many countries. For more information on MMSD Southern Africa, visit [www.mining.wits.ac.za/mmsd.html](http://www.mining.wits.ac.za/mmsd.html).

At a public forum held in the afternoon of 7 May observers from the Southern Africa Development Community (SADC) region had the opportunity to ask the Assurance Group questions. In relation to many issues the impact of “rules” on smaller companies as compared with larger ones was a recurring theme. These ideas were raised following challenging interventions from WWF on certification, UNEP on the need for global dialogue of all stakeholders, Canada on the need for intergovernmental frameworks and the industry on voluntary initiatives.

On the evening of 7 May, South Africa's Minister of Mines and Energy, the Honourable Phumjzile Mlambo-Ngcuka, was guest of honour at a dinner hosted by MMSD. She spoke of the great importance of mining in the SADC region – mining revenues account for 60% of foreign exchange earnings and 10% of GDP in the sub-region – and of how the wealth generated has not yet become a full catalyst for sustainable development. A full transcript of her speech is available at [http://www.iied.org/mmsd/mmsd\\_pdfs/address\\_Mlambo\\_Ngcuka.pdf](http://www.iied.org/mmsd/mmsd_pdfs/address_Mlambo_Ngcuka.pdf).

After three intense days – several Assurance Group members attended a gold mine tour after the meetings – the Group is returning to the hard edge – how to see that the Work Group delivers a report that has integrity and rigour and suggestions as to how to move the sector forward.

Minutes of this meeting will be available shortly in MMSD's website at <http://www.iied.org/mmsd/assurgroup.html#santiago>.

## **MMSD BEGINS TO EXAMINE POST-PROJECT OPTIONS**

One of MMSD's objectives is geared to identifying a clear set of options for moving forward after the MMSD Project ends in 2002. MMSD has started to consult key actors as to their views on what processes would be most appropriate. A workshop in

Santa Fe, New Mexico, US will be the next step in this process. (See [http://www.iied.org/mmsd/mmsd\\_pdfs/flyer\\_santa\\_fe.pdf](http://www.iied.org/mmsd/mmsd_pdfs/flyer_santa_fe.pdf).)

Many actors believe that there is a need for some sort of structure to define expectations in the transition to a more sustainable society and what this would mean for the minerals industries. To varying degrees, the existing proposals involve new norms for conduct of industry and those with whom it deals, administrative structures to create and give life to those norms, and incentives for adherence to those norms.

MMSD has pinpointed some of these options and is currently assessing their advantages and disadvantages in an effort to:

- identify the principal options for moving forward and the extent to which it will be possible to do so based on a understanding of the key challenges facing the mining and minerals sectors;
- identify the principal options for moving forward in cooperation with other actors;
- thoroughly define and evaluate these options; and
- search for some agreement as to which of these options are most promising.

MMSD is currently examining two different levels of options for moving forward. One entails specific attempts to deal with problems on a site-specific or issue-specific basis. These include problems affecting one industry sector (e.g. the use of mercury by artisanal miners, the so-called “conflict diamonds”), or one set of actors (e.g. health problems in mining communities, mine safety). Geographically focussed efforts such as the Australian Minerals Code are also included in this category.

A second group of options deals with initiatives at the global level which could potentially create an international framework to improve the performance of the mining and minerals sector as a whole and address the range of issues raised by sustainable development. These options could be steered by government or international institutions. They would also be based on a voluntary initiative led by industry or by a coalition of actors including industry. These options are not necessarily mutually exclusive. They could even reinforce and support each other.

Among options that could be advanced by governments and international institutions are:

- an intergovernmental agreement on mining
- a world mining forum
- financing (lending and investment) guidelines for the mining and minerals sectors

Some government and international organisations are already developing these ideas. Some of these are being carried out in preparation for the Earth Summit scheduled for September 2002.

On the other hand, there is a wide variety of possible models on which the mining and minerals sector, either acting principally on its own or in cooperation with other actors, could take the initiative to create a system for more effective promotion of more sustainable models for the sector. These could complement initiatives such as those described above, or exist independently of them.

Examples are:

- the ombudsman model (based on the International Finance Corporation)
- industry codes of conduct (such as the Minerals Council of Australia or the ICMM/ICME Sustainable Development Charter)
- the Responsible Care model of the chemical industry
- the Forest Stewardship Council model (based on the desire of customers to purchase certified products), and
- certification tied to finance (mindful of the difficulties of tracking the origin of mineral raw materials in final products).

One of the most fundamental issues in any proposal directed towards sustainable development is identifying the levels at which actions need to be taken and deciding which actions are appropriate to each of those levels. There are important differences in ecosystems, levels of economic development, cultures, and national priorities which may make a “one size fits all” global system inappropriate.

As part of this effort, MMSD will be holding a meeting of experts in Santa Fe, New Mexico on 18 July 2001 which will look at alternatives among existing voluntary initiatives. For more information, contact Patricio Leyton at [patricio.leyton@iied.org](mailto:patricio.leyton@iied.org). A paper further explaining MMSD’s work in this area is available at [http://www.iied.org/mmsd/mmsd\\_pdfs/options\\_moving\\_forward.pdf](http://www.iied.org/mmsd/mmsd_pdfs/options_moving_forward.pdf).

## IN BRIEF

- *Preliminary PwC Survey Results Presentation.* These were discussed at the Annual Mining Seminar of the Centre for Energy, Petroleum and Mineral Law and Policy (CEPMLP), University of Dundee on 7 June 2001. To view MMSD’s presentation at this Seminar, visit: [http://www.iied.org/mmsd/mmsd\\_pdfs/dundee\\_pres\\_5th\\_june\\_2001.pdf](http://www.iied.org/mmsd/mmsd_pdfs/dundee_pres_5th_june_2001.pdf)  
The final survey report will be produced by the end of July. More information on the survey is available at [www.mining-survey.com](http://www.mining-survey.com). For more information, contact: Caroline Digby, [caroline.digby@iied.org](mailto:caroline.digby@iied.org).
- *Expert Workshop on Biodiversity and Mining.* The workshop was held in London, 11-12 June 2001 and was designed to brainstorm on issues being covered by MMSD, to advise the scope and focus of MMSD’s research on mining and biodiversity and to understand ways of building on and complementing existing initiatives. For more information, contact: Libby Wood, [libby.wood@iied.org](mailto:libby.wood@iied.org).
- *MMSD South America Survey.* MMSD’s Regional Partners in South America have launched a survey aiming to gather stakeholder input in identifying the key themes in the region. The survey – available in Spanish, Portuguese and English – can be accessed by visiting [www.mmsd-la.org/encuesta/index.html](http://www.mmsd-la.org/encuesta/index.html). For more information on MMSD South America, visit [www.mmsd-la.org](http://www.mmsd-la.org).

## HEADS UP FOR:

The following summary is intended to provide the Project's News Bulletin readers with an update of upcoming MMSD events through September 2001. These activities seek to gain stakeholder input into the Project's work progress towards the Final Report scheduled for March 2002.

### July:

- *Large Volume Waste Workshop*. This multistakeholder workshop will be held in Vancouver, 14-18 July 2001 to discuss issues surrounding the disposal of large-volume wastes, mine closure and abandoned mines. Contact: Caroline Digby, [caroline.digby@iied.org](mailto:caroline.digby@iied.org).
- *Expert Workshop on Voluntary Initiatives and other Potential Outcomes of MMSD*. To be held in Sante Fe, New Mexico, 18 July 2001. The workshop will attempt to engage those involved in the legal aspects of the industry in a dialogue over the concrete issues posed by developing a voluntary initiative in the sector. Space is limited. Contact: Patricio Leyton, [patricio.leyton@iied.org](mailto:patricio.leyton@iied.org).
- *IISS-MMSD Expert Workshop on Armed Conflict and the Minerals Sector*. Co-hosted by the International Institute for Strategic Studies (IISS) and MMSD; to be held at Arundel House, London, 11 July 2001. The workshop will discuss issues related to armed conflict and the mining and minerals sector. Background papers and case studies are being sought. Contact: Bernice Lee, [bernice.lee@iied.org](mailto:bernice.lee@iied.org).

### August:

- *Multistakeholder Workshop on Managing Mineral Wealth*. To be held in Rio de Janeiro in August 2001 – date to be confirmed. Its objective is to address Challenges 2, 3 and 5 through a series of case study presentations and discussion. Background papers and case studies are being requested. Contacts: Caroline Digby, [caroline.digby@iied.org](mailto:caroline.digby@iied.org), Libby Wood, [libby.wood@iied.org](mailto:libby.wood@iied.org), and Frank McShane, [frank.mcshane@iied.org](mailto:frank.mcshane@iied.org).
- *Life Cycle Analysis Multistakeholder Workshop*. To be held in New York, 9-10 August 2001 to discuss Robert Ayres's manuscript on life cycle analysis. Background papers and case studies are being sought. Contact: Caroline Digby, [caroline.digby@iied.org](mailto:caroline.digby@iied.org).

### September:

- *Indigenous People Expert Workshop*. To be held 3-5 September 2001, planned for Ecuador. The workshop will aim to table key issues in the relationships between indigenous peoples and mining, based on regional work and a baseline study. Contact: Frank McShane, [frank.mcshane@iied.org](mailto:frank.mcshane@iied.org).
- *Experts Workshop with Transparency International on Corruption*. To be held mid-September – exact date and location to be confirmed. The workshop will aim

to address issues relating to corruption facing the minerals sector. Background papers and case studies are being sought for this event. Contact: Bernice Lee, [bernice.lee@iied.org](mailto:bernice.lee@iied.org).

- *Experts Meeting on Human Rights*. To be held in mid-September 2001 – exact date and location to be confirmed. The workshop will discuss issues related to human rights and the mining and minerals sector, with reference to Simon Handelsman’s work, soon to be commissioned by MMSD. Contact: Bernice Lee, [bernice.lee@iied.org](mailto:bernice.lee@iied.org).
- *Product Stewardship Workshop*. To be held 25-30 September in Europe – location to be confirmed. Details of this event are currently being planned. Contact: Caroline Digby, [caroline.digby@iied.org](mailto:caroline.digby@iied.org).

The outcome of these events will be reported on in future issues of the MMSD News Bulletin. A list of events beyond September 2001 is available online in the Project’s website at [http://www.iied.org/mmsd/mmsd\\_pdfs/timeline.PDF](http://www.iied.org/mmsd/mmsd_pdfs/timeline.PDF).

For more information on any of these events, write to [mmsd@iied.org](mailto:mmsd@iied.org).

## **EDITORIAL RESEARCH ASSISTANT NEEDED**

As MMSD’s Final Report begins to take shape, the Project is looking for a new team member with relevant experience to assist in the production of its key output.

The main responsibilities include:

- Ensure smooth flow of information to writers and editors to avoid delays in their work
- Research on any gaps or specific issues which arise as the report is being written
- Locate source materials and supporting references for specific points being developed in the report as it is written and edited
- Liaise with regional partners and contracted researchers of MMSD to obtain information and views from them on issues arising in the writing of the report
- Organise the materials on which the report is based in a form for easy reference and retrieval; assisting in compilation of bibliography

This post will be offered as a fixed-term contract until March 2002, starting as soon as possible. If you are interested in joining the MMSD team, fax (+44-20-7831-6189) or email your CV and a covering letter to MMSD, Research Manager at [mmsd@iied.org](mailto:mmsd@iied.org). A full job description is available online at [www.iied.org/people\\_jobs/jobs.html](http://www.iied.org/people_jobs/jobs.html).

**MMSD seeks to promote dialogue on issues of sustainable development and the mining and minerals sector. Because of its scope and limited lifespan, the Project would want the capacity to forward its participants’ contact information to organisations engaging in similar activities with the purpose of continuing this dialogue and knowledge exchange process. Please let us know if you would prefer that we do not pass along your information or if you would like to be taken out of our News Bulletin mailing list by writing to us at [mmsd@iied.org](mailto:mmsd@iied.org).**

***What is MMSD?***

Initiated by the World Business Council for Sustainable Development, MMSD is an independent process of participatory analysis aimed at “*identifying how mining and minerals can best contribute to the global transition to sustainable development.*” MMSD is a two-year project designed to produce concrete results during this period, and to create structures capable of being carried forward thereafter.

A key product will be a Project’s Final Report to be presented in draft in late 2001.

***An invitation to participate***

MMSD is an ambitious venture that depends on the active involvement of civil society, companies, government, the research community and many others for its success. If you would like to receive copies of past or future Project Bulletins, or have any other enquiries, please contact us at:

[mmsd@iied.org](mailto:mmsd@iied.org)

**If you would like to be removed from our News Bulletin mailing list please let us know by writing to us at [mmsd@iied.org](mailto:mmsd@iied.org).**