



Mining, Minerals and Sustainable Development Project

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PROJECT NEWS BULLETIN

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MMSD AFTER EIGHTEEN MONTHS

Luke Danielson, Project Director

In early April, 2000, I started work at the International Institute for Environment and Development as the Director of the MMSD Project. Elisabeth Wood, Assistant Project Manager and I were the only project employees. The previous year, 1999, IIED had conducted a scoping study to define the project, its structure, and objectives.

The project is now beginning to make considerable progress. The scale of participation and the quality of the work have been extremely positive. Literally thousands of people have participated in stakeholder dialogues, workshops or experts meetings, sent written comments, or contacted us by e-mail. There has been very broad geographic spread in those responses.

Those organisations, institutions, labour unions, companies, governments, campaign groups, NGOs, universities and others who are engaging with MMSD are making a very real – and we believe potentially lasting – contribution to challenging the status quo. For many of our colleagues this has meant considerable intellectual and emotional demands. We are grateful to all of those who continue to support the MMSD project in whatever way they feel able.

To those who have chosen not to participate in our activities we can only repeat once again that while respecting your position we would value and welcome your engagement to maximise what we believe is a unique and very real opportunity to start to change the way the minerals sector impacts on the lives of millions of people, to mature the debate. The door will continue to stay open. And if you have questions, or feel that you don't know everything about what we are doing, ask and we will do our best to give you the information you want.

Where are we 18 months later?

A very significant number of studies and reports are coming in from investigators at the national, regional, and global levels. We hope by the time we are done to have created a base of information which will be useful to people in many different kinds of organisations who want to understand the minerals sector and its potential contribution to sustainable development. The biggest challenge is no longer assuring that we will have a broad information base, but that the very size and richness of this information base will make it hard to synthesise into a manageable set of observations and conclusions.

How do we assure balance on these highly controversial issues?

Many of the issues are indeed controversial. And even the best investigators cannot understand and reflect all points of view. In many cases, more than one investigator has been asked to investigate a subject in order that we may get a variety of views, or see the problem from the viewpoint of more than one discipline.

Our policy is that the results of *every* significant piece of research will be exposed to some form of open critique and discussion by people from as wide a variety of different expertise or viewpoints as we can arrange. There are three common ways we do this:

- Workshops;
- Meetings of experts in a specific theme or issue;
- Peer review.

MMSD's final report will therefore reflect not just what a piece of commissioned research says, but what a variety of other people say about it. And that final report will then go through a very public review.

How is all this information available?

In general, all of the studies produced by the MMSD project will be available in draft on our website once they have reached an adequate state of completeness. Indeed, many of them are already there, www.iied.org/mmsd

There are minutes or proceedings for every workshop or experts meeting organised by us here in London. I understand that most of the regional meetings are following the same policy. We have promised all attendees at workshops and expert meetings that they will have a chance to review these for accuracy before they become public, but the minute this is done they will go on our website.

When the author of a paper or study has all of the comments and remarks about that work in hand, we expect that s/he will rewrite and finalise it. The final Working Papers, and the Proceedings and Minutes of all our meetings will all be published and disseminated as widely as we are able to manage.

What about information on the funding and management of the project?

MMSD's basic policy is one of transparency. There are some things: personnel files, drafts of work in progress, contract negotiations and so forth that need to be treated as confidential. But our policy is that essentially everything else about the project: who the sponsors are, how much they have contributed, our contracts with them, all of it is either on our website or available on request.

The basic point is that no funder or sponsor has control over this project or where it is going. That is for IIED, supervised by the project Assurance Group to decide. But there is no limit on our independence, or what we explore or conclude.

How do we get from here to MMSD's final report?

The draft of the final report will be published in mid-December, 2001. There will then be a process to encourage the widest possible debate, criticism, and commentary on that document. There will be both public meetings at which anyone can attend, and opportunity for written comment and response. This will culminate in the final meeting of the MMSD Assurance Group in mid-February of 2002 and taking the final report to the printers in mid-March.

What will be in the final report?

The report will be careful to identify its limits. It would be completely unreasonable to expect that it will have something to say about every issue or problem in the world, or have consulted everyone. It will therefore be clear about what it has done, and what it has not done. The kind of process MMSD represents will have to grow, evolve, and continue for a long time, under whatever auspices. Our report will be a snapshot of where we are at the time it is prepared. It will identify areas where more research needs to be done, and where consultation is a priority.

It will summarise and synthesise the information we have discovered and the opinions we have heard during the project life.

And it will point to the ways forward in this debate, with particular attention to the institutions and organisations which are most appropriate for carrying the process forward after MMSD disbands. It will certainly challenge the status quo on all sides. Sustainable development is not just a task for industry or companies but for everyone. Anybody who thinks he doesn't have a role, or who is sure the process will not challenge her assumptions is mistaken.

Won't this put MMSD in the middle of some difficult and controversial issues?

Difficult issues are what this project is about. And the more controversial the subject, the more important that we be in the middle of it.

I expect that by the time we get to our final report there will be an obvious and loud sound of assumptions being challenged. Challenging basic assumptions is a very noisy process. And it is remarkable how many people and institutions both inside and outside industry are wedded in one way or another to the status quo, or how vehemently they will defend it.

MMSD TO HOLD PREPARATORY MEETING TO DISCUSS MINING ISSUES WITH INDIGENOUS PEOPLE

MMSD is hosting a preparatory meeting and workshop to discuss mining issues with indigenous people on 27-28 September 2001 in Quito, Ecuador. This meeting has been planned and prepared in close cooperation with MMSD South America's coordinator for participation activities – the Mining Policy Research Initiative of the International Development Research Centre (MPRI/IDRC) – and their national partner organisation in Ecuador, Ambiente y Sociedad.

The broad aim of the meeting is to facilitate discussion of the critical issues surrounding the relationships between indigenous peoples and the mining, minerals and metals sector and to build on progress made by indigenous peoples in the regional MMSD processes and in other instances.

The meeting will bring together between 20 and 30 people, predominantly, but not exclusively indigenous persons, those belonging to indigenous organisations and communities who have had direct experience with mining, and a few key individuals who work with indigenous issues.

People will attend from a variety of geographic and cultural settings to address critical themes, to exchange ideas and to look for ways to progress on priority issues. Ultimately, the workshop will address the potential for positive change that will better serve the interests of indigenous people in their associations with the mining sector.

Nominations for attendance come primarily from MMSD's regional partners as a result of the regional processes. The organisers also encourage the nomination of indigenous persons to attend from outside the regional networks.

The meeting is not the only opportunity to comment on and influence the work of MMSD in relation to indigenous people's issues. At the regional level, in South America, Australia and North America, the regional coordinators have held meetings and workshops with indigenous people, first nations and aboriginal groups. The regional reports themselves and the workshops held in each country are two additional instances in which specific issues raised and discussed with indigenous people are being made visible.

In addition, MMSD plans to host a second meeting (contingent on funding) at which there will be a range of attendees including indigenous people, industry, government, labour and others stakeholders to address key issues in a broader forum. It is hoped that the Quito meeting will nominate some indigenous delegates to this multi-stakeholder meeting; others from outside the Quito meeting will also be encouraged to attend.

There will also be an opportunity to comment on the MMSD baseline study and other work on land and resettlement when these are released later in the year, in both English and Spanish. Finally, independent submissions to MMSD on this and any other area of our work will also be welcomed.

For further information, please contact Frank McShane, frank.mcshane@iied.org.

DUMA NKOSI TO CHAIR MMSD ASSURANCE GROUP AS JAY HAIR CARRIES MMSD'S MESSAGE INTO THE HEART OF THE MINING INDUSTRY

Duma Nkosi, the respected South African parliamentarian, ANC activist and mining specialist, is the new Chair of MMSD's Project Assurance Group effective 1 September 2001. His appointment follows current Chair Dr Jay Hair's move to the newly created position of Secretary-General of the mining industry's new trade body, the International Council for Mining and Metals (ICMM) in early September. Mr Nkosi was previously the Vice Chair of the Assurance Group.

Dr Hair's appointment is a significant loss for MMSD but a major opportunity for the industry. It suggests that the industry is putting the issue of sustainable development higher on its agenda. As Chair of the Assurance Group and with a 30-year career in the conservation and environmental movement, Dr Hair's appointment gives the industry a unique chance to grapple with the biggest and most difficult issues they face – developing a sustainable future.

"I am thrilled to be taking the sustainable agenda to the heart of the mining industry as Secretary-General of the International Council for Mining and Metals. This is a turning point for the mining sector and a golden opportunity to secure the industry's future, based on a new sustainable platform. I will be looking to take the findings from the MMSD project to the top of the mining industry's agenda as we move towards securing radical change and a more sustainable future," said Dr Hair.

Dr Hair had no previous involvement with the mining industry until he became a member of the MMSD Assurance Group. "It is an indication of how seriously industry is taking the MMSD process that it is calling on one of MMSD's key players," MMSD Project Director Luke Danielson said.

The leaders of ICMM have gone outside the industry to find the first Secretary-General of their new organisation. Dr Hair is the former President of the National Wildlife Federation, one of the largest conservation organisations in the U.S., and of

the International Union for Conservation of Nature (IUCN). It is a compliment to the MMSD process that the industry has appointed one of its most respected sources of leadership and guidance.

As chair of the MMSD Assurance Group, Dr Hair helped establish the project's oversight body as an open, analytic and rigorous forum for debate and review of the project's work. The Group will continue its work under Nkosi's leadership as MMSD enters its final phase of producing the Project Report.

"This project is fortunate to have someone of Duma Nkosi's ability to help us move forward," Danielson remarked.

AN UPDATE ON MMSD SMALL-SCALE MINING ACTIVITIES

MMSD's small-scale mining (SSM) activities are speedily moving towards completing a Global Small-Scale Mining Report aiming to provide a baseline assessment of the importance and nature of SSM around the world. This analysis will be based on a regional study covering six Southern African countries and 12 individual national studies from countries where this activity is vital for local livelihoods, both of which will feed into a researchers' workshop tentatively scheduled for November 2001.

In most instances, these activities are being conducted by local researchers who will bring together baseline data on SSM, relevant literature, an inventory of key local contacts in the sector, and information on country-specific SSM assistance projects. A key part of this work will be a review of the effectiveness of assistance projects over the past 10 years aiming to identify components that have been successful and those that have not.

Through these activities, MMSD is hoping to gain insight into what SSM means in the context of sustainable development in Southern Africa (Malawi, Mozambique, South Africa, Tanzania, Zambia and Zimbabwe) Brazil, Bolivia, Ecuador, Peru, China, India, Indonesia, the Philippines, Papua New Guinea, Ghana, Mali, and Burkina Faso.

These findings are being compiled into a Global Small-Scale Mining Report in cooperation with Thomas Hentschel from Projekt Consult. The researchers' workshop is tentatively being planned for November 2001 to present the country and regional study findings and case studies, share experiences between the different country researchers and review the draft Global Report. The workshop is also expected to help pass on these findings – and the networks born out of these efforts – to the new Collaborative Group for Artisanal and Small-Scale Mining (CASM), of which MMSD is a sponsor. CASM was established by the World Bank and the UK's Department for International Development (DFID).

For more information on MMSD's small-scale mining activities, contact Anne-Marie Fleury, AnneMarie.Fleury@iied.org.

MMSD AND ICA CO-HOST WORKSHOP ON LIFE CYCLE ANALYSIS

With the assistance of the International Copper Association, MMSD held a workshop on life cycle analysis (LCA) in New York on 9-10 August 2001. This involved 35 representatives of industry, government, NGOs and academia.

One of the main purposes of the event was to discuss the draft report on a life cycle study of copper and by-product metals that has been commissioned by MMSD and undertaken by Professor Robert Ayres and co-workers. This contains a global model of copper demand and supply. Following some debate concerning the size of remaining physical reserves of copper from a technical point of view, much of the discussion focused on how copper may be better managed as a global asset to society rather than as an expendable resource. The negative impacts of copper production – particularly in areas remote from the point of final use – were of concern to some participants. It was also clear from the meeting that there is an urgent need to assess the scope for increasing the recycling of this metal. Lack of data collection and availability on scrap flows in the major markets makes analysis of the potential for recycling difficult. MMSD hopes that the copper study will encourage parallel work for other metals.

The meeting also involved discussion of the role of LCA in moving towards more sustainable metal cycles. Contrasting perspectives of industry, government and NGOs were presented. There was debate as to whether the conventional environmental considerations of LCA can be extended to include the social and economic implications of product manufacture and use that are relevant to sustainable development. Many participants agreed that the quality and transparency of data used in LCAs has to be improved if this tool is to be applied more widely.

A full report on the workshop is being prepared and will be available on the MMSD website. For further information contact Bruce Howard, bruce.howard@iied.org.

SANTA FE

MMSD's workshop on possible voluntary initiatives in the minerals industry was held in Santa Fe, New Mexico, US. Approximately 20 invitees discussed the potential benefits and possible parameters of an industry initiative designed to elevate and spread best practice in the industry. Ralph Hazleton presented an informative report on progress on certification of diamonds designed to prevent illegal diamond sales from conflict zones from financing civil unrest and violence. Dick Wells discussed the experience to date with the Australian Minerals Code. These and other presentations focused on:

1. how a set of standards or norms could be developed
2. how functions should be allocated among local, national, and global levels

3. how compliance could be verified
4. how the system could be financed and administered
5. what the system of incentives for compliance should be.

MMSD's work in this area will next be publicly discussed at a conference at the Royal Institute of International Affairs in London in October, described in the events section of this Bulletin. For further information please contact Patricio Leyton, Patricio.Leyton@iied.org.

IN BRIEF:

Meeting on Corruption

MMSD and Transparency International brought together experts from companies, research institutions, academics, NGOs and international organisations for a discussion on corruption issues on 7 September 2001 in Berlin. A survey of corruption issues in the mining and mineral sector was prepared for the meeting. The OECD guidelines and the issues surrounding the use of legal tax reform as a tool to fight corruption, among others, were discussed in an effort to explore options for all actors including governments, companies and NGOs. Similarly, case studies from companies were presented. The meeting aimed to provide insight on the range of perspectives on this issue and identify existing initiatives at policy level and in practice. Further research and information needs and potential follow-up activities were also discussed.

A meeting report and other materials will be available shortly in MMSD's website. For more information, contact Bernice Lee, Bernice.lee@iied.org or Guy Collis, guy.collis@iied.org.

Meeting on Human Rights

MMSD hosted an experts' meeting on issues related to human rights in the mining and minerals sector on 6 September 2001 in Berlin. A draft paper prepared for MMSD, "Human Rights and the Minerals Industry", provided a starting point for the debate. The role of international human rights law, practical experiences from companies, the issues surrounding partnerships between companies and human rights organisations and the Voluntary Principles on Security and Human Rights were discussed. The meeting also pinpointed existing initiatives at policy level, further research needs and potential follow up activities.

A meeting report and other materials will be available shortly in MMSD's website. For more information, contact Bernice Lee, bernice.lee@iied.org or Guy Collis, guy.collis@iied.org.

GRI Advisory Panel meeting in Boston

Collaborative work between the Global Reporting Initiative (GRI) and MMSD began in Boston on 24 August 2001 with the first meeting of the Advisory Panel. The Advisory Panel is composed of individuals knowledgeable in the field of public

reporting and the related issues and members are drawn from a variety of backgrounds and communities of interest. The purpose of the meeting was to design a work plan for the GRI/MMSD collaborative endeavour.

The Panel agreed to conduct a review of current reporting practices in the mining sector and to use this information to compile a hypothetical scenario for reporting by corporations. The scenario will be used to surface further issues and challenges that the sector may need to address. There are provisional plans for a second meeting of the Advisory Panel to discuss the work and for feeding this into MMSD's activities around the Access to Information challenge and GRI's work on public reporting guidelines.

For more information, contact Frank McShane, frank.mcshane@iied.org.

HEADS UP FOR...

MMSD EVENTS IN SEPTEMBER AND OCTOBER

The written output from the following meetings will feed into MMSD's Project Report scheduled in draft form for mid-December 2001.

September

Experts' Meeting on Health and Safety Issues in the Mining and Minerals Sector
MMSD and the Environmental Epidemiology Unit (EEU), Department of Public Health and Policy (PHP), of the London School of Hygiene and Tropical Medicine (LSHTM) will host an experts' meeting on these issues on 10 September 2001. The meeting aims to shed light on the risks faced by workers and the necessary changes in health and safety measures/policies that should be undertaken. For more information, contact Wai Lee Kui, wailee.kui@iied.org.

Preparatory Meeting with Indigenous People. (See full story above)

MMSD, in cooperation with MMSD South America's coordinator for participation Mining Policy Research Initiative of the International Development Research Centre (MPRI/IDRC) and their national partner organisation in Ecuador, Ambiente y - Sociedad, is hosting a meeting with indigenous peoples representatives on 27-28 September 2001 in Quito, Ecuador. For more information, contact Frank McShane, frank.mcshane@iied.org.

October

MMSD-Royal Institute of International Affairs Conference on Corporate Citizenship. This event will be held at the RIIA in London on 15-16 October 2001. The conference is co-sponsored by the RIIA, the Control Risk Group and MMSD. This conference aims to examine practical issues surrounding the corporate citizenship agenda. MMSD will be leading a workshop on potential framework for change in the extractive sector and cross-sectoral learning. This will be an important opportunity for unveiling MMSD conclusions to date on issues of governance and voluntary initiatives. For more information, contact Bernice Lee, bernice.lee@iied.org.

Biodiversity Workshop. As previously announced, MMSD will be holding a workshop on mining and biodiversity as a follow up to its activities in this area. The workshop will take place in London on 25-26 October 2001. For more information, contact Izabella Koziell, izabella.koziell@iied.org.

MMSD AROUND THE WORLD... UPDATES FROM MMSD REGIONAL PARTNERS

MMSD Australia

MMSD Australia held a conference entitled “Mining, Minerals and Sustainable Development – Making the Transition” in Perth on 19 July 2001. The event hosted 130 representatives of industry, government, trade unions, indigenous groups, NGOs and local communities, who discussed the progress of MMSD Australia’s work and provided their views and perspectives on its research programme.

A second conference will take place in Brisbane on 16-17 September 2001 bringing the same opportunities for participation to the East Coast of Australia. Another gathering is being planned for December aiming to present MMSD Australia’s final papers.

For more information on MMSD Australia, visit their website at www.ameef.com.au/mmsd, or contact Bren Sheehy, bren@ameef.org.au.

MMSD North America

MMSD North America is currently developing a number of studies, including a ‘corporate mosaic’ of the industry in the region, a profile mining and minerals in North America and possible guidelines in the regional context. MMSD North America is also working with the Centre for Dialogue of Simon Fraser University in Vancouver, Canada on setting up a North American Mining Dialogue in an effort to move towards an action plan for change in the region.

MMSD North America is publishing a *Mining Alert*, a bi-weekly summary of news stories and publications from North America and around the world that touch on issues related to managing environmental and social concerns for mining.

For more information on MMSD North America, contact Anthony Hodge, info@iisd.org.ca.

MMSD South America

MMSD South America is finalising the results of their regional survey, which will be available in mid-September. The survey aimed to identify priority issues regarding mining and sustainable development in the regional context from the perspective of different communities of interest. In addition, MMSD South America’s national coordinators in Bolivia, Brazil, Chile, Ecuador and Peru continue developing activities in their respective countries following two inter-linked tracks – research and participation. Over forty workshops and meetings have been held in these countries with representatives from mining unions, companies, local and national governments,

small-scale miners and cooperatives, consultants, academics, researchers and indigenous peoples. MMSD South America views these workshops as crucial to their process.

The Regional Advisory Group, National Coordinators, a number of interested observers and MMSD South America regional staff will hold a second meeting on 24-25 September 2001 in Lima, Peru to discuss the preliminary national and regional results and pinpoint the key elements that the region hopes to contribute to MMSD's Project Report.

For more information on MMSD South America, visit their website at www.mmsd-la.org, or contact Hernan Blanco, hblanco@cipma.cl, or Cristina Echavarría, cechavarria@idrc.org.uy.

MMSD Southern Africa

The six research projects for MMSD Southern Africa have been completed in draft form. They will be distributed to stakeholders for perusal and comment. The reports deal with the following areas: small-scale mining, HIV/AIDS, mining and society, the biophysical environment, managing mineral wealth and a baseline survey.

MMSD Southern Africa is also planning to hold a multistakeholder workshop to present the above reports to representatives of various stakeholder groups in the form of a draft regional report. This event will take place on 18-19 September 2001 in Johannesburg, South Africa.

For more information on MMSD Southern Africa, visit their website at www.mining.wits.ac.za/mmsd.html, or contact Marie Hoadley, Hoadley@egoli.min.wits.ac.za.

NEW SECTION: **MMSD PUBLICATIONS CORNER**

MMSD Working Papers Series Coming Soon!

While assembling its Project Report, MMSD is synthesising and summarising a much larger body of information generated by MMSD Research Fellows, core staff, regional partners and numerous external collaborators, which are materialising in the shape of regional reports, baseline assessments, technical studies, workshop proceedings, and other documents.

A number of these documents will be published and distributed as MMSD Working Papers. MMSD is preparing an 'MMSD Publications Catalogue' listing all its upcoming working papers and the particular areas of expertise these will cover. This Catalogue will be available on the MMSD website soon. In addition, this new section of the MMSD News Bulletin will feature one or two working paper synopses in each edition.

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 like to have 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.

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

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.

Our mailing list is intended to be shared with MMSD regional partner organisations whose activities may also be of interest to you.