



Mining, Minerals and
Sustainable Development Project

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PROJECT NEWS BULLETIN

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Bulletin No. 19

14/12/01

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CHANGE IN PROJECT SCHEDULE

Change In Project Schedule to Accommodate Improved Consultation with Assurance Group and all Outside Organisations

Consultation Draft Report Now Available In Early March

The Consultation Draft of MMSD's Project Report will be available for public comment in early March 2002. This is a change from the earlier timeline, and responds to a number of suggestions and recommendations from the Project's Assurance Group and others.

The Consultation Draft – originally scheduled to be released on 14 December – will be the basis for a consultation process around the Project's findings and recommendations. MMSD will be seeking written comments, which will be available to the Project's Assurance Group and, ultimately, to any interested party as an MMSD Working Paper. In addition, the Consultation Draft will be the subject of public

forums in Southern Africa, South America, North America, Australia, and, if there is interest, in other regions. These will be held in March 2002. The Report will be modified and finalised in light of the comments received and published in final form in May 2002.

The benefits of this revised schedule will be that all interested parties are presented with a consultative draft that is as comprehensive and complete as possible. MMSD has produced a vast quantity of information, which ultimately will be published by the Project. Synthesising this diverse and interesting information base into a report of a manageable length, with useful conclusions, is an enormous task. The additional time will also allow the MMSD Work Group to do a better job of synthesising the experience and viewpoints of the many individuals and organisations who have participated in the Project's activities. The disadvantage is that the fully printed version will not be available until the end of May 2002 (see below).

These changes follow recommendations made by the MMSD Assurance Group during its recent meeting at which the first initial draft report was reviewed and debated. Each of the draft chapters, including early ideas on overall recommendations and an Action Plan, were discussed during the three-day gathering held on 3-5 December 2001 in London.

It was the Assurance Group who reached a consensus opinion that this further time was necessary to allow the development of a draft that is a better representation of the careful analysis of the information base. It will also allow the report to reflect more fully the wealth of information generated, in particular through the regional activities. In addition, the Group identified the need for an Executive Summary and a full Action Plan to be included in the Consultation Draft prior to making it available to the broader public for comment.

The Assurance Group reiterated its commitment to ensuring the Report is of the highest possible quality and that the balance and integrity of the Project are maintained. Thus, it will meet again to discuss the Consultation Draft before it is disseminated in early March 2002. This meeting will take place in London on 18-19 February 2002.

Specific details about the Consultation process, including opportunities to participate at the regional level, will appear in the next issue of the MMSD News Bulletin. The Project Work Group also welcomes suggestions as to any way the consultative process can be improved.

Note: The final Project Report will be available in pre-published form to the participants of the GMI Conference in Toronto in May 2002.

MMSD HOLDS SECOND ADVISORY PANEL MEETING WITH THE GLOBAL REPORTING INITIATIVE

Collaborative work between MMSD and the Global Reporting Initiative (GRI) began in Boston in August 2001 with the first meeting of an Advisory Panel, a group composed of individuals knowledgeable in the field of public reporting and related issues, and from a variety of backgrounds and stakeholder groups, including industry, government and NGOs. The panel is designed to act as a supervisory body for the work of GRI on mining and reporting issues.

Corporate public disclosure is a key issue for MMSD and an important part of the Project's work on Access to Information. To address these issues, MMSD's work with the GRI is looking at both the content of public reports and the need for better systems of reporting to satisfy the needs of all actors involved in the sector.

The process has been specifically designed to address a number of key questions around public reporting within the sector. For example, what advances are being made by individual companies within the sector with regard to public reporting? What gaps exist, both between companies within the sector, and between mining and other sectors? How can the GRI's experience best inform the sector? What are non-industry stakeholders suggesting in terms of reporting guidelines for the sector, and what roles exist for such actors in defining appropriate reportable information? What, if any, recommendations can be provided on future steps that need to be taken to establish sector-specific public reporting guidelines?

Following the August meeting, a process was established for evaluating broad categories of indicators being used by the sector, which could then be supplemented by Panel members. The broad categories of indicators were documented and displayed on the GRI website for comment. This list of 'indicator categories' is not meant to be exhaustive, but is rather a 'straw dog' – a preliminary plan that can be used to stimulate discussion on the challenges and opportunities for the sector in moving towards a harmonised mechanism for public disclosure. Harmonisation could provide several benefits, not least the fact that it would allow other actors to compare different public reports.

On 28 November 2001, the GRI Advisory Panel met in Vancouver to discuss key themes that arise in trying to achieve equitable public disclosure, and to focus on discussions around public comment on the indicator categories. Issues that were surfaced at the meeting included the need for the indicators to:

- reflect adequately the various stages in the mine project life cycle;
- allow for the project specific nature of operations;
- consider the accessibility, relevance and usefulness of the information that is gathered and collected;
- reach conclusions about the best processes and instruments for moving towards substantive and tangible improvements in reporting criteria.

Whilst GRI is principally concerned with corporate level reporting, their aim is to develop a core set of guidelines that can be used by both industry and stakeholder groups. Developing a thematic approach was seen as one way of meeting these challenges, by producing a system for the information that is required and making it more socially inclusive. Another area worth investigating is the link between finance and mining companies, a topic around which MMSD has already developed a number of activities (see the article below on MMSD's Second Finance Conference with UNEP and the World Bank).

It was clear that important strides are being made, and a follow-up meeting has been proposed to address revisions of the indicator categories, and the piloting of a sector-specific approach to public reporting for the sector.

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

MMSD TO HOLD SECOND FINANCE CONFERENCE WITH UNEP AND WORLD BANK

On 14-15 January 2002, in partnership with the World Bank and the Division of Technology, Industry and Economics of the United Nations Environment Programme (UNEP), MMSD is co-sponsoring its second Finance, Mining & Sustainability Conference. The meeting will be hosted by UNEP in Paris.

The Conference – subtitled ‘Exploring Sound Investment Decision Processes’ – is the conclusion of a two-year initiative examining the role of financial institutions in funding mining projects, and, in particular, the business case for the financial community to differentiate between companies that manage sustainable development issues well and those that do not. The Conference will include participation from financial institutions, the mining industry, labour, and environmental and social non-government organisations, to complete the initial examination of whether the environmental, social and economic performance of mining operations are adequately reflected in the risk assessments of the financial sector.

Through its Global Finance Dialogue, MMSD has explored the role of financial institutions in encouraging the sector to become a motor of sustainable development. A critical question has been whether they have the necessary information to gauge all of the risks associated with mining operations, including environmental and reputational risk.

Two meetings with financiers, the mining industry, and environmental and social NGOs were held in January 2001 to assess the depth and breadth of these issues. Subsequently, MMSD organised its first Mining, Finance and Sustainability conference in Washington in April, also in partnership with UNEP and the World Bank. Since then, and to address some of the issues brought up at these meetings, MMSD has led the research associated with this joint effort, including commissioning reports on the Role of Financial Institutions in the Mining Finance Process, Financial Incentives for Improved Sustainability Performance, and Participation and Governance Structures.

Specifically, the January Conference will include sessions on what sustainability means to mining (with case studies used to illustrate recent trends in mining finance, mergers and acquisitions, and insurance); how standards, agreements and independent verification are used (focusing on solutions and approaches from other industries); reputational issues and stakeholder perspectives; and what Financial Sector Institutions need from the mining industry.

This MMSD activity has generated wide interest among key decision-makers in this sphere and several articles have appeared in high-profile newspapers around this initiative. At an MMSD-sponsored panel at the recent Corporate Citizenship Conference in London, Gerard Holden, from Barclays Capital and a member of the MMSD Assurance Group, described capital as the “lifeblood” of the mining industry, commenting that, “projects which embrace positive socio-environmental practices tend to exhibit a reduced risk profile and thus are more attractive to us as financiers.”

For more information on the forthcoming Finance, Mining & Sustainability Conference, contact Frank McShane, frank.mcshane@iied.org.

IN BRIEF

United Nations Workshop on ‘*Indigenous Peoples, Private Sector Natural Resource, Energy and Mining Companies and Human Rights*’.

MMSD attended a workshop on ‘*Indigenous Peoples, Private Sector Natural Resource, Energy and Mining Companies and Human Rights*’ in Geneva, Switzerland hosted by the United Nations High Commission for Human Rights (UNHCHR). The conference, which was addressed by the High Commissioner for Human Rights, Mary Robinson, was also attended by international participants from indigenous communities and organisations, governments, industry, labour, NGOs and other civil society groups.

The workshop discussions addressed key human rights issues associated with natural resource extraction in indigenous territories and sought to reflect on both the impacts and implications of resource exploitation for indigenous groups. On the first day an overview of issues and international legal frameworks was provided, and a discussion held on the need for consultation with indigenous communities regarding resource development. The second day involved a debate about benefit-sharing issues associated with resource development, with contributions from key players in the mining industry, and the last day was devoted to a discussion of dispute resolution.

For further information, contact Jong-Gil Woo at the office of the UNHCHR, jwoo.hchr@unog.ch.

HEADS UP FOR...

UPCOMING MMSD ACTIVITIES

MMSD's Global Finance Dialogue will take place in Paris on 14-15 January 2002. This activity is being organised jointly by MMSD, the World Bank and the United Nations Environment Programme (UNEP). See full story above for more information on MMSD's work on finance in the mining and minerals sector.

MMSD's Indigenous Peoples and Mining Workshop will take place in Perth, Australia during the first week of February 2002. The meeting will follow up on the progress achieved during the Preparatory Meeting held in Quito, Ecuador last September (see Bulletin 17 for more on this meeting). This workshop will bring together representatives of various stakeholder groups in addition to indigenous leaders from various parts of the world. *Note that the workshop was originally planned for mid-December and has been rescheduled.* For more information, contact Andrea Steel, andrea.steel@iied.org.

MMSD's Assurance Group will meet on 18-19 February 2002 to discuss the Consultation Draft of the Project Report before it is made available to the public in early March 2002. MMSD is organising regional forums in late March 2002 which will provide opportunities for stakeholders to comment on the initial findings and recommendations stemming from the Project's activities over the past 21 months. Further details will be provided in the next issue of the MMSD News Bulletin.

MMSD PUBLICATIONS CORNER

Reports from the Former Soviet Union

MMSD is working with local research institutions in Russia, the Republic of Khakassia and the Kyrgyz Republic, following initial visits made to these countries by MMSD staff. (For more on the issues raised during these meetings, see Bulletin 15.) Conclusions emerging from these reports will inform the Project's Report and will be part of MMSD's Working Papers series.

MMSD has commissioned the Khakas Regional Public Charity Fund in the Republic of Khakassia and the Community Business Forum in Kyrgyzstan to undertake baseline studies in these countries. In Russia, Dr Vyacheslav Miklyaev works with an Advisory Group and an Expert Team – which include representatives of governments, industry, environmental authorities, scientific societies, local governments, labour and NGOs – to ensure the relevance and applicability of the study.

The broad aims of these studies are:

- identifying the gaps in knowledge and understanding of key issues related to the sector in these countries;
- developing further understanding of the factors that influence the role of the sector in the society, economy and environments of these countries;

- identifying potential drivers of change for the sector which could lead to higher standards of environmental, social and economic performance;
- identifying the key stakeholders in the processes of change, and their roles;
- improving understanding of the obstacles to progress in achieving higher standards;
- identifying specific areas in which progress can be achieved and the institutional/governance structures and capacities that would need to be put in place to enable change to take place.

These studies are intended to provide more than a record of the status quo; they aim to increase understanding of:

- opportunities for and obstacles to change, as well as areas of contention and conflict, including legacy issues and matters arising as a result of the transition from the centralised government of the Soviet era;
- structural and political constraints to progress in key areas;
- key drivers of change in particular areas;
- good practice in specific areas of activity;
- new and existing initiatives.

For more details on these studies, contact Ben Sandbrook at ben.sandbrook@iied.org.

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 the Project’s Final Report, which will now be presented as a Consultation Draft in March 2002.

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 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.