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THE ASSOCIATION OF THE GEOLOGICAL SURVEYS OF THE EUROPEAN
UNION

EGS' Opinion
on the
Mining Minerals and Sustainable Development (MMSD's)
draft report
setting the scene for the "Rio+10" World Summit on
Sustainable Development

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1. The MMSD's draft report, a comprehensive report of "universal" character on an universal problem

In our opinion, though there is room for improvements, MMSD's draft report warrants an universal attention because it is the most prominent achievement to date contributing to the preparation of the Rio+10 conference, and a learned, wide spectrum approach to the debate on the linkages between mineral resources and sustainable development.

This work though launched by an initially reduced group (GMI) of nine big mining companies, has become a multi-stakeholder project backed up by several commercial but also non commercial sponsors and by many technical experts organizations. Through numerous intermediate conferences and working groups it has finally benefited from the expertise of the whole panel of various partners concerned. Therefore EGS stresses that the report represents not only the expertise of its IIED authors but also the recommendations of the universal community on this debate of universal emergency.

Chapters 1, 2, 3, 8, 12, 14 and 16 seem those of greatest relevance for Geological Surveys. Many EuroGeoSurveys members have a long-established experience of co-operation with the governmental institutions in charge of the Mineral Resources sector in less developed countries throughout the world. Therefore, in reply to the IIED Call for Comments, EGS recommends this valuable report to be completed by the following remarks.

2. Better distinguish the approach for metals and that for industrial minerals

MMSD draft report is too much orientated towards the aspects dealing with metals. The European example is particularly illustrative of the way in which the problems linked with extractive industry are completely different from the case of industrial and construction minerals to the case of the metals, concerning either their legal frame or their linkage (or not) with local and regional economy and society. Among the industrial minerals, some (such as sand or aggregates) are common, have low value per ton and can be transported on very short distances only from the quarry to the place they will be used or manufactured ; others (like the zeolites for cat litter or china clays) are rare, have very high values per ton and can be compared with rare metals for their economy and international importance. Therefore the importance of industrial and construction minerals for the society at all scales should be more stressed in the report, as well as the ability of this more easily integrated activity to give the example of sustainable development to the others.

3. The need of bridging the credibility gap between corporate aspiration and corporate reality: a responsibility not only up to the governments but also up to all the concerned stakeholders, and especially for industry

The report is right to mention that "good governance" is essential to sustainable development and good business, that many governments and related administrations require institutional strengthening and capacity building. In its Agenda for Change, the report should therefore recommend that an organisation, mechanisms and resources be identified, by which the concept of "Corporate Citizenship" could be strongly encouraged and a real and genuine dialogue installed with all stakeholders including those who are often disenfranchised because of poverty, powerlessness, gender etc. Such a transparent organisation should demonstrate the tangible benefits of mining and help to reward stakeholders appropriately at all levels. The industry should there demonstrate that it is genuinely committed to sustainable development principles, financially supporting projects in the field as well as lobbying national and international financial authorities, governments and decision-makers to make them finance such projects. If not, the MMSD initiative may only remain a start.

4. Do not forget the European Union development assistance partners

EU is the largest present importer of mineral commodities. Despite great innovations for developing safe operations of mining activities particularly inland, the European inland

mineral resources development is facing difficulties. For a number of commodities, EU minerals supply is widely depending upon the rest of the world. Therefore one of the interests of EU is to contribute financially, technically and politically to the mineral resources potential development of the countries benefiting from its various multilateral (EDF, TACIS, PHARE, MEDA...) and bilateral co-operation programmes, whilst encouraging these countries to respect the same sustainable development practices EU promotes internally. The report should acknowledge various European Institutions as one of the important actors (the European Commission as well as the bilateral co-operation agencies), and one who is needed to implement the Agenda for Change, even if the European institutions have obviously not taken a very active part to the MMSD Project. These institutions, which jointly are the largest single source of development assistance grants, are a key for the implementation of the Agenda for Change.

5. Geological Surveys as actors in support to Mining, Minerals and Sustainable Development

The MMSD report deals with the role of governments in chapter 3, p. 3.11. In various chapters (i.e. Executive Summary, Chapters 1, 3, 14 and 16) it lists the key actors of the global mineral resources scene. Although the governments are clearly identified as key actors, the roles and responsibilities of their Geological Surveys are not clearly identified, nor are they identified as key actors. However, without reliable geological data and the capacity to treat and communicate them to the authorities as well as to the public (including to potential investors), there is no possibility to discover new mineral resources, to attract private investors from inland or abroad to develop them, to create new direct and indirect employment at local, regional and national scales or to maintain the existing ones. Water resources, other natural resources (particularly agriculture) and geological hazards cannot be monitored properly. Land planning management, legal and regulatory frameworks cannot be settled on reliable bases and they have poor consensuality, which can eventually generate political, economical, social or environmental errors, natural and financial resources spoiling, national and international tensions as well as resentments at various levels.

Technically, despite the numerous national and international co-operation programs already performed, a great number of developing countries still demand much more geological infrastructure.

Socially, the importance of minerals in the current life is generally not understood very clearly by the public, by NGOs, by decision makers, politicians or national and international government officials not learned in this field. Till recently, industry and many Geological Surveys had generally an essentially professional approach (respectively economical and academic) lacking of the necessary aperture to the questionings from other stakeholders of the sustainable development, officials, NGOs and the public. MMSD report should recommend solutions for that communication and education shortage. The Geological Surveys can help considerably in this field.

Politically and economically, the effectiveness and returns of mineral resources related policies can only be judged over a 10 to 20 year's period. Therefore few developing countries governments allocate adequate resources to their sectoral institutions (though sometimes a noteworthy national effort in percentage). This is one of the major obstacles on the way to sustainable development, that MMSD should underline.

Thereon, development assistance partners have a central role to play. They need to further support the Geosciences and mineral resources institutions of the developing and transition countries, possibly through the Sustainable Development Support Facility outlined in the "Agenda for Change" (Chapter 16 of the report). Grant money is needed from both governments and industrials since such activities do not generate the direct financial returns needed to pay back loans, even on soft terms.

6. Not forget the role of developed countries Geological Surveys as a major source not only of knowledge but also of know-how

The Geological Surveys can first help in a technical point of view. They can yield technical guides for instance to distinguish the various classes of minerals suitable (minerals groups, energetic, metalliferous, industrial and construction minerals), establish the priorities for recycling and settle the bases for legal, tax and regulatory frameworks.

But moreover, most of the “Northern” Surveys, including a significant number of EuroGeoSurveys members, have a long tradition of cooperation with “Southern” mineral sector institutions and an in-depth knowledge of institutional and capacity building issues. By essence, Geological Surveys are neutral, multidisciplinary and permanent experts. They are quite familiar with long-term sustainability issues and with the various phases of mineral resources projects, including the “post-mine” phase and environment protection. Their skills are of great relevance to sustainable development, both in assistance to public policies management, scientific research optimisation, promotion and protection of various natural resources, both technical, scientific and regulatory assistance to administrations, communities and sectoral industries at regional, national and international levels, as well as in acquisition, processing and modelling of data related to the Earth’s subsurface and its resources.

Therefore EGS would like to finally recall the missions of its members in these fields and its willingness to provide their experience and capabilities to the Sustainable Development Support Facility proposed by the “Agenda for Change”.

Although EGS missions concern Europe (promoting and protecting European mineral resources) and EGS is not a worldwide association, it feels highly concerned by the world sustainable development (refer pls. to our EGS Opinion 9, or to the text we produced for the European Mineral Resources RTD Council brochure EMiRec). The goal is not only to insure the minerals supply of Europe but to act as one of the stakeholders of the Earth equilibrium and its both economical, social and human development.