
ANNEX

ICSG Secretariat's Comments on the MMSD Draft Report from 4 March 2002

Chapter 1: Introduction

- p. 1-14: Table 1-1 (p. 1-14) provides a list of Sustainable Development Principles.

Comment ICSG: It is unclear how these principles have been developed. As they are serving as a fundamental baseline for the whole report, more information on content and development would be desirable including information on stakeholder participation and discarded and missing other issues.

Chapter 2 – 5: Current Trends and Actors

In chapter 2 “*Producing & selling minerals*”, a number of statistical data on copper production, trade and employment are provided. In addition to this, a case study on the copper industry and its market is presented in chapter 3 “*A profile of the minerals sector*”.

With respect to copper, the ICSG Secretariat would like to comment on the following statistical data and information concerning copper:

- p. 2-6: “*China imports 70% of its concentrates; Japan has no domestic production.*”

Comment ICSG: In the year 2000, China produced 1003 kt of primary refined copper and 20 kt of electrowon copper. The mining production amounted to 593 kt. In the same year, imports of ores & concentrates amounted to 453 kt of copper content, whereas 10 kt of copper contained in ores and concentrates have been exported. Therefore, imported concentrates accounted for ca. 45 % of total primary refinery production. In the year 2000, Japan produced 1.2 kt of copper from ores. The ICSG published information on copper production and trade. For further information, please communicate with our Statistical services directly.

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- p. 2-9: “*Others, such as copper, are processed through a series of complex steps by refiners and fabricators who are principally large, technically sophisticated companies.*”

Comment ICSG: From our point of view, the sentence should rather read: “*Others, such as copper, are processed through a series of complex steps by processing plants, smelters and refiners or solvent-extraction and electro-winning plants. Many of these can be regarded as large, technically sophisticated companies.*”

According to our information, a significant amount of brass mill production derives from small companies with an annual production < 10 kt of metal content in fabricated products. An important share of copper fabrication takes place in recently developed, developing countries and countries in transition (such as China, India, Mexico, etc.).

- p. 2-15: “*Of the estimated 400,000 people employed directly in mining, smelting and refining of copper, nearly 60 % of them are in China and the former Soviet Union.*”

Comment ICSG: Employment data for metal-specific operations is not available on an international basis. However, there are various estimations and methodologies used. For example, preliminary estimates of the ICSG Secretariat indicate that direct employment in the primary copper industry would be significantly higher. For the period 1998 – 2000, it can be estimated that around 500.000 people have been directly employed at worldwide mining operations where copper can be regarded as the prime commodity. To this figure another estimated 250.000 people directly employed in the primary copper smelting and refining industry can be added.

These estimations are based on plant-by-plant employment data for over 85 % of world mine production and over 70 % of refinery production. In addition, average regional-specific productivity rates considering waste, ore and copper production, mining methods and process routes have been used for estimating the contribution to direct employment of the resting companies.

The ICSG is currently working at developing more reliable information on economic data relevant to the copper sector, including employment levels.

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- p. 3-13: In this chapter, the role of some intergovernmental institutions in the minerals sector is examined.

Comment ICSG: The International Copper Study Group (ICSG) in its capacity as an intergovernmental organisation represents a unique discussion forum for governments, industry advisors and observer organisations involved in production and usage of copper. Similar organisations exist for other non-ferrous metals. In accordance with its mandate, the ICSG acts in various fields related to sustainable development, such as:

- Providing statistical data to increase market transparency
- Providing a forum for discussion on sustainable development issues between member governments, industry advisors and observer organisations
- Filling data gaps in support of material flow analysis
- Providing environmental, social and economic information on the contribution of copper to sustainable development
- Conducting studies and projects on copper specific issues
- Enabling informed decision-making.

In addition to that, the ICSG Secretariat and individual member governments play an important role within the Non-Ferrous Metals Consultative Forum on Sustainable Development (<http://www.nfmsd.org>). The draft report refers to a number of specific initiatives involving multiple actors without mentioning the Forum process. We suggest that the unique character of the ICSG and the Forum as a multi-stakeholder initiative dedicated to non-ferrous metals should be emphasised. The Forum work on issues such as product stewardship, sustainable development drivers, community engagement and science-related issues should be mentioned. Besides referring to achievements to date and ongoing work of the Forum, framework, structure and process of the NFMSD Consultative Forum can serve as a guiding example for the “Forum on Minerals and Sustainable Development” proposed in the Agenda for Change.

Chapter 16: Agenda for Change

The so-called “Agenda for Change” summarises recommendations directed at specific actors or groups of actors in the minerals sector. Particular emphasis is placed on individual companies, joint industry commitments and national governments.

Comment ICSG: Recognising the complex character and the highly controversial nature of many of the responses and recommendations proposed in the Agenda for Change, we only provide some general observations without focusing on specific recommendations as such. It is up to industry and national governments to decide which of these recommendations to take on board and which not.

As far as we can see, the agenda widely focuses on large enterprises. Additionally, in Chapter 13 issues and challenges facing artisanal, small-scale mining activities have been identified but have not found their way into the Agenda for Change. Issues regarding size, resources and capabilities of the vast majority of medium-sized and small operations are hardly addressed in the draft report, in general, and the Agenda for Change, in particular. Some of these issues may best be addressed through national or international industry associations or commodity organisations acting as representatives or stewards of these enterprises providing them with guidelines and best practice examples.

Furthermore, the crucial role of downstream fabricators, recyclers and end users within the minerals and metals life cycle is not addressed sufficiently within the Agenda for Change. Important issues such as product design, material choice, recycling and best technology transfer are not sufficiently addressed throughout the Agenda for Change.

Considering other actors than industry and national governments, the Agenda for Change includes recommendations for lending institutions, insurers, investors, NGOs and educational and research institutes. Other relevant actors such as local governments, community based organisations, intergovernmental commodity organisations (such as the Study Groups) as well as industrial commodity associations are not explicitly addressed in the Agenda for Change. In the future, increasing attention should be paid to sectoral/commodity-related issues and regional priorities, including perspectives and perceptions from the Southern Hemisphere.