

MINING, MINERALS AND SUSTAINABLE DEVELOPMENT PROJECT DRAFT REPORT

Comments by J.-C. Lauzier, CIDA, March 28, 2002

I read this report and my following comments are based on over 20 years of the CIDA experience with this sector in developing countries.

- 1- The various and complex issues are well explained reporting the various stakeholders point of views. There are a few minor factual errors but not worth mentioning since they have no impact on ideas, conclusion and recommendations. The report is a good compendium of the sector and related impacts to sustainable development.
- 2- **INTRODUCTION**: The charters for the Sponsor Group, the Assurance Group and the Work Group should be appended with the **History and Process** to eliminate some critics on the process.
- 3- **Chapter 1: The Mineral Sector and Sustainable Development; Why Now**: There is little direct mention in this chapter of the legacy of thousands of abandoned sites and mining communities which were, at some point in time, richer communities but, with the mines downsizing and closures, have been left out as among the poorest in polluted areas. Although in the various other chapters there are references to the history of mining that has created the current negative perception for certain groups and communities to be against all mining activities mostly by foreigners. The example of Potosi in Bolivia is given in Chapter 10, *Mining, Minerals and the Environment*, with minerals extracted by first colonizer, then foreign private investors and lastly their own government. Potosi was declared a UNESCO World Heritage site and is currently among the most polluted region in the world with people among the poorest of Bolivia, not only for the present time, but for future generations. Images of Potosi and the large number of other communities all around the world are hard facts working against **sustainable development** principles applied to the minerals sector. We cannot mention the present without looking seriously at the past as potential examples for the future, if the past is not dealt with in the short term by all stakeholders. The need for this study is a result of the legacy of the past and most current operations which are living examples of the non-sustainability of the sector, this why it should be made clearer in this chapter.
- 4- **Chapter 16: Agenda for Change**;
 - a. The proposed *Sustainable Development Support Facility* cannot rely on aid donors for its sustainability unless the UN and/or the World Bank are committed for the long term (10-15 years) to set up this new organization. Aid donors could better used their funds for technology transfer to developing countries departments responsible to administer the sector. It is mentioned in most chapters the need for governments to play their role of administering the sector for the benefits of their citizens although, it is

recognized that they need strengthening and capacity building. If aid donors are not helping as a first priority, who else will do it? Arguments are not convincing that this new Support Facility will deliver the worldwide multi-disciplinary services as described. People providing the services would have to be highly specialized to meet the various and complex challenges in a global environment which seem to be an impossible task for this proposed international new body, it could quickly become a cumbersome political bureaucracy trying to please everyone with no specific chief. The UN and/or the World Bank are not a sustainable solution to oversee this Facility.

- b. The proposed *Abandoned Mineral Site Facility* being an international organization will also provide grants to deal with the large number of abandoned mines, is also likely to become a highly politicized unit. To develop criteria for financing projects and activities will become a nightmare, even developed countries will argue that they do not have sufficient resources to respond to an emergency caused by abandoned sites. Those whom have benefited from the past of the now abandoned mined out sites should strongly contribute to repair the damages which are: directly governments and the industry, and, indirectly the users of minerals and metals extracted. Another option to consider would be for Governments to encourage having legal and financial provisions to create incentives for the industry to invest to correct damages from past operations by promoting the adoption of orphaned sites for rehabilitation (good Samaritan). And, it would be up to each jurisdiction to identify priority repairs needed and what the incentive should be depending on the gravity of the sites. Also, some Mining Associations could be encouraged to work closely with those not having the sufficient resources and means such as the medium and smaller scale organized operators to contribute for clean-ups in their region of influence or where it is urgently needed. Working with Associations could be easier than working with all the operators as long as incentives are given for operators to join these Associations. Reporting should be done to provide results on these initiatives and the progress made to clean and repair the past physical and social legacies.
- c. In *Identifying Gaps in Capacity*, aid donors in countries of mature minerals and metals industry could be useful to sponsor the necessary transfer of technologies and training to support those developing countries responsible government bodies for improved efficiency and effectiveness.

To conclude, this report is an excellent document taking the current picture of this mining, minerals and metals sector life cycle as seen by the various stakeholders. As mentioned in the last chapter, it is important for the process to move forward with frequent exchanges to bring up standards and good practices, globally but also, in the regions. It will also be important to decentralize the process of exchanges to render it less bureaucratic and more efficient to impact those that have and still are suffering from past and current unsustainable practices. It will also be important to use and build current

institutions, organizations and associations to improve the standards of all the industry but mostly, those lowest denominators which are projecting bad images for the global industry.

The images of the past and of some current operations are very close to memory to affected communities to teach future generations of the impact the extractive industry had on their current misery and hardship. The too many physical and social scars are very visible for all to see and to remember the pains to make it difficult to believe that the future of this sector will be better for these communities.

J.-C. Lauzier
CIDA Mining, Mineral and Metal Resources Advisor
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