

CHARTER OF THE SPONSORS GROUP

MMSD PROJECT OBJECTIVES

- First, to assess global mining and minerals use in terms of the transition to sustainable development. This would cover the current contribution -- both positive and negative -- to economic prosperity, human well-being, ecosystem health and accountable decision-making, and the track record of past practice;
- Second, to identify how the services provided by the minerals' system can be delivered in accordance with sustainable development in the future;
- Third, to propose key elements for follow-up on how to improve the minerals system; and
- Fourth -- and crucial for long-term impact -- to build platforms of analysis and engagement for ongoing cooperation and networking between all stakeholders.

1. *Purpose*

The purposes of the Sponsors Group are:

- To assist in realising the objectives of the Mining, Minerals, and Sustainable Development (MMSD) Project by providing guidance, information, and contacts and working with others to support the global transition to sustainable development.
- To provide support, in cash or in kind, for the Project through its convenor, the World Business Council for Sustainable Development (WBCSD), in accordance with approved Work Plans and budgets.
- To review, amend, and endorse the Work Plan and budget and react to, and, if possible, endorse the final Project report after they have been reviewed, commented on and endorsed by the Assurance Group.
- To provide overall support and guidance to the Work Group and contribute to ensuring that the Project has the freedom, independence, and resources to maintain the highest standards of professionalism, integrity and accountability
- To prepare the perspectives of the Commercial and Non-Commercial Sponsors on the MMSD final report and process, to receive the Project's final report, and to respond publicly to the report within a timeframe agreed upon by the members of the Sponsors Group.
- To take part in disseminating and acting on the Project's findings.

It is governed by the principles in this Charter, which is effective upon acceptance by the Assurance Group, the Executive Director of the Institute for Environment and Development (IIED) and the Sponsors Group.

2. *Membership*

The Sponsors Group is comprised of organisations providing support to the Project either in cash or kind. There are two types of sponsors:

A. Commercial Sponsors

Commercial Sponsors include:

- mining and minerals companies; industrial users of mined products; and trade associations of the mining industry.
- private companies whose principal business is not necessarily in mining and metals or allied industries but who have an interest in the Project's success.

B. Non-Commercial Sponsors

Non-Commercial Sponsors include:

- Government departments, parastatal organisations, and regional intergovernmental organisations.
- International organisations such as UN organisations and financial institutions.
- Foundations, research councils, non-governmental organisations, mining centres of excellence, and universities or university departments.
- Such others as the Sponsors Group decides from time to time to admit.

3. *Requirements of Sponsorship*

The aim of the WBCSD is to achieve a 60:40 ratio of the level of funding from Commercial Sponsors to that of Non-Commercial Sponsors.

A. Commercial Sponsors

Commercial Sponsors from the mining, minerals and metals sector must contribute at least \$150,000 (USD) in cash. Additional voluntary contributions in cash or in kind are welcomed. By exception, the Project Coordinator, on behalf of the WBCSD, may, with the approval of the Sponsors Group, allow two Commercial Sponsors to jointly meet the \$150,000 obligation. In this event, the Commercial Sponsors would share a membership and their entitlements as Sponsors would be determined on a pro rata basis. The Sponsors Group may develop policies governing shared memberships. Except in the case of shared sponsorships, the minimum contribution amount for Commercial Sponsors shall not be reduced pro rata in the event of any increase in the number of sponsors.

Sponsorship is welcome from commercial sponsors from other industry sectors. Wherever possible, this will be in the form of cash, with a minimum contribution of \$75,000 (USD).

B. Non-Commercial Sponsors

Non-Commercial Sponsors must make a minimum contribution to the project of \$50,000 (USD) in cash or in kind.

The Project Coordinator and the Project Director may allow for exceptions in the amount or nature of the contributions from Commercial and Non-Commercial Sponsors as necessary to meet the Project objectives.

4. *Regional Sponsorship*

The Project contemplates partnering with existing institutions to establish regional centres in five to six of the world's principal mineral producing, processing, or consuming regions. The regional centres will be advised by Multi-Stakeholder Regional Steering Committees or Advisory Groups.

The regional centres will have regional sponsors, who may or may not be organised into formal sponsorship groups. The appropriate Regional Steering Committee will determine the contribution level for regional sponsors. The aim of the Project is to have the regional centres be supported by a commercial (60) to non-Commercial (40) funding ratio.

Sponsorship of the MMSD Project at the global level does not entitle an entity to be a regional sponsor without making the required contribution at the regional level. Sponsors at the global level may participate as a stakeholder in the regional processes without further contribution.

5. *Terms of Contributions*

Contributions from Commercial Sponsors may be used on an unrestricted basis, and those from Non-Commercial Sponsors will be unrestricted to the extent possible. Restricted cash contributions and all in kind contributions must be consistent with the Project Work Plan, and accepted by the Project Director.

The nature, terms and conditions of in kind sponsorship contributions will be set out in a Memorandum of Understanding (MoU) or contract between the Sponsor and IIED as circumstances dictate. These MoU's and/or contracts will be acknowledged by the WBCSD as constituting sponsorship.

6. *Operation*

The Sponsors Group will be co-chaired by a member selected by the Commercial Sponsors of the Sponsors Group and a member from government or civil society selected by the Non-Commercial Sponsors. The Project Coordinator will work closely with the Co-Chairs and the Sponsors Group at all times.

The Sponsors Group will meet three to four times over the life of the Project at times determined by the Co-Chairs. It may establish, as necessary, sub-groups to carry out its responsibilities.

7. *Role of Sponsors in the Project*

All official communication from Sponsors Group to the Work Group or Project contractors will be made through the Project Coordinator.

The Sponsors Group has no right of control or veto over the Project's activities or outputs. It recognises that both the actual and perceived independence of the Project from its sources of sponsorship is important to the Project's success.

However, Sponsors are important stakeholders and entitled to engage the Project through mechanisms established by the Project for dialogue, and which are open and available to all stakeholders on an equal basis. Becoming a Sponsor does not preclude the Sponsor from commenting fully and freely on any issue, or on any Project activity.

The Project Coordinator and the Project Director will make every effort to take account of individual Sponsors' views on the same basis as those of other "stakeholders" as the project proceeds. Sponsors may publicly state their agreement or disagreement with the Project outputs, in whole or in part, and individually or with other Sponsors Group members. The Work Group and IIED will not state or imply that any Sponsor is responsible for, or agrees with, any statement, report, or conclusion made by the Work Group or IIED, unless specifically authorised to do so by the appropriate Sponsor.

8. *Conduct of Meetings and Reporting*

Sponsors will be given at least two months notice of the scheduled date of any Sponsors Group meeting. At each regular meeting the Project Coordinator will give an update of the Project, including an income and expenditure report. The Co-Chairs will determine the agenda for each meeting.

9. *Limited Liability and Financial Arrangements*

The WBCSD will serve as the banker for the Project. In appropriate circumstances, including payments by regional Sponsors or in kind support, the contributions may be made to the Work Group at IIED or to a third party institution approved by the Project Coordinator and the Project Director.

10. *The Use of the Sponsors' Names*

All public listings of the Sponsors and the use of their logos will be approved by the Sponsors in advance.

11. *Withdrawal of Sponsorship*

In the event any organisation wishes to withdraw from sponsorship partway through the Project, the withdrawal shall be on terms agreed upon with the Co-Chairs of the Group. These terms will include honouring promised commitments to make contributions to the Project.

12. *Amendments*

The Sponsors Group may propose and approve amendments to this Charter and may approve procedures proposing and approving such amendments; provided, however, that any such amendments must also be approved by the Work Group and the Assurance Group in order to be effective.