Mining, Minerals and Sustainable Development

Challenges Emerging from the Participatory Process
MMSD South America

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World Mines Ministers Forum

SUSTAINABLE DEVELOPMENT:

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MMSD in South America

"The MMSD project in South America does not ask about the sustainability of the mining industry, rather, it explores the perspectives of regional stakeholders as to what is required so that mining can improve its contribution to the more equitable and sustainable development of countries, regions and localities rich in mineral resources".

HOW IS IT DONE AND BY WHOM?

- Regional and national coordinators forming a workgroup of over 20 people, focussing on Bolivia, Brasil, Chile, Ecuador and Peru who undertook both research and participation

- Regional multistakeholder advisory group with members from 7 countries: transparency, engagement and legitimacy

- Identification of key issues on mining and sustainable development from this pooled expertise

- Identification of key stakeholders in each of the five countries

- Activities included: regional survey to prioritise issues answered by over 340 people from 15 countries

- Over 50 workshops with different stakeholder groups in the five focus countries, three regional meetings and the formation of groups to review the regional and global reports

- Internet www.mmsd-la.org with over 2,200 monthly visits

- Bulletins on process, advances and results

MAIN GROUPS CONSULTED IN THE PROCESS

GOVERNMENT
- National governements
- Regional governments
- Local governments

MINERS
- National and Regional Industry Associations
- Multinational Corporations in the region
- Domestic/national mining companies
- Small and medium scale miners organizations

CIVIL SOCIETY
- Mine workers unions (ICEM reps and others)
- Community based organizations in mining regions
- Indigenous peoples organizations
- NGO's engaged in mining issues
- Consultants and academics
- International aid/cooperation agencies

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THE REGIONAL CONTEXT

- The region is a **producer of minerals** (mainly extraction and processing), contributing over 20% to world metal production. It consumes only 7 or 8%. Income from mining has been very important for economic growth..has it reflected on improved well-being and quality of life?

- Sustained and considerable social spending during early 90's as a consequence of economic recovery and prioritisation of fiscal policy, produced **advances in education and health**: life expectancy from 55 years in 1950, to 71 years in 2000; and infant mortality has been reduced from 106 to 31 of each 1000 born alive

- **Despite government efforts in most countries poverty continues growing:** By the end of the 90's 30% of families were poor (211 million) and 14% were below the poverty line (89 million people)- Population grew faster than government capability to address it

- Highly **inequitable distribution of wealth**- Mean per capita income is less than 30% that of developed countries-high proportion of the population in some countries still has no basic services, like clean water, healthcare, education..

Can minerals development can contribute to reverse the trend in this context?
What are the challenges and opportunities?

- Significant diversity of national contexts-both between countries and within countries: imply levels of complexity but also cross-fertilization

- Dearth of baseline information for decision making

- Legal and institutional contexts still evolving

- Processes of democratization and growing public participation challenge traditional roles of all stakeholders : transparency and accountability are at the heart of making sustainable development a reality

- Opportunities offered by increasing education levels, access to information and knowledge creation

- Growing demand for good governance, accountability and transparency: empowerment of civil society
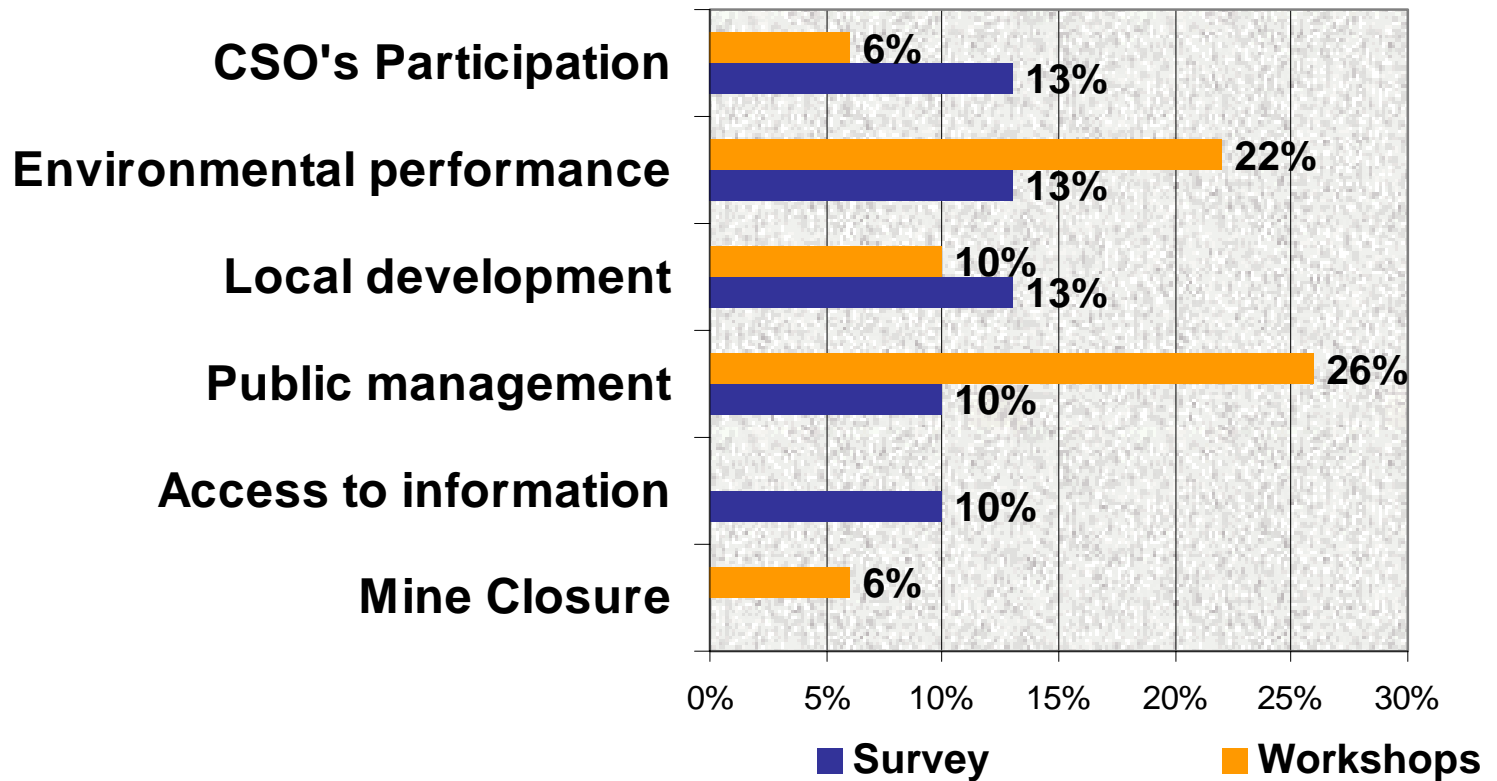
KEY ISSUES DISCUSSED IN MMSD-LA

- Tools and capabilities for public sector resource management

- Social and environmental performance of mining activity

- Local sustainable development

- Spaces, mechanisms and capabilities for the participation of civil society in decision-making processes related to mining

- Access, use and generation of relevant information on mining and related issues

- Artisanal and Small Scale Mining

- Royalties and taxes, and their distribution between the national/federal, provincial and local levels

- Rights, control and access to natural resources
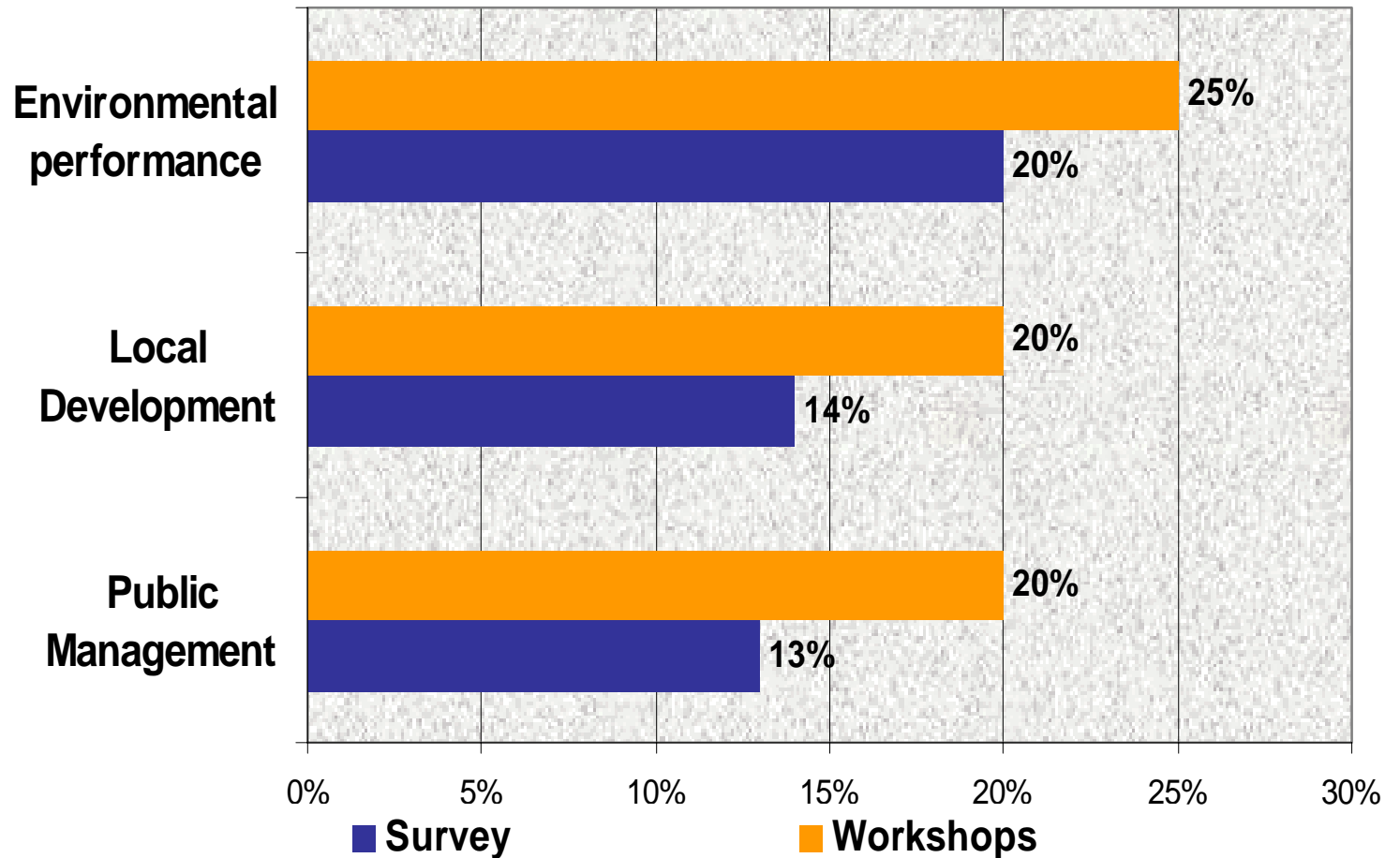
KEY ISSUES DISCUSSED IN MMSD-LA

- Mining in indigenous territories

- Mining in Natural Protected Areas and high biodiversity zones

- Mine closure regulation, planning and management

- Liability and responsibility for the environmental and social legacy of past mining and orphan mines

- Quantity and quality of employment offered by the mining sector

- Scientific and technological development

- Market access

- Incidence of international conventions, directives and standards at national level

FIVE ISSUES MENTIONED AS PRIORITY # 1 IN SURVEY AND WORKSHOPS REGIONAL TOTAL

GOVERNMENT
THREE ISSUES MENTIONED AS PRIORITY #1 IN SURVEY AND WORKSHOPS

Environmental performance
- Workshops: 25%
- Survey: 20%

Local Development
- Workshops: 20%
- Survey: 14%

Public Management
- Workshops: 20%
- Survey: 13%

■ Survey   ■ Workshops

MINERS

THREE ISSUES MENTIONED AS PRIORITY #1 IN SURVEY AND WORKSHOPS

CIVIL SOCIETY

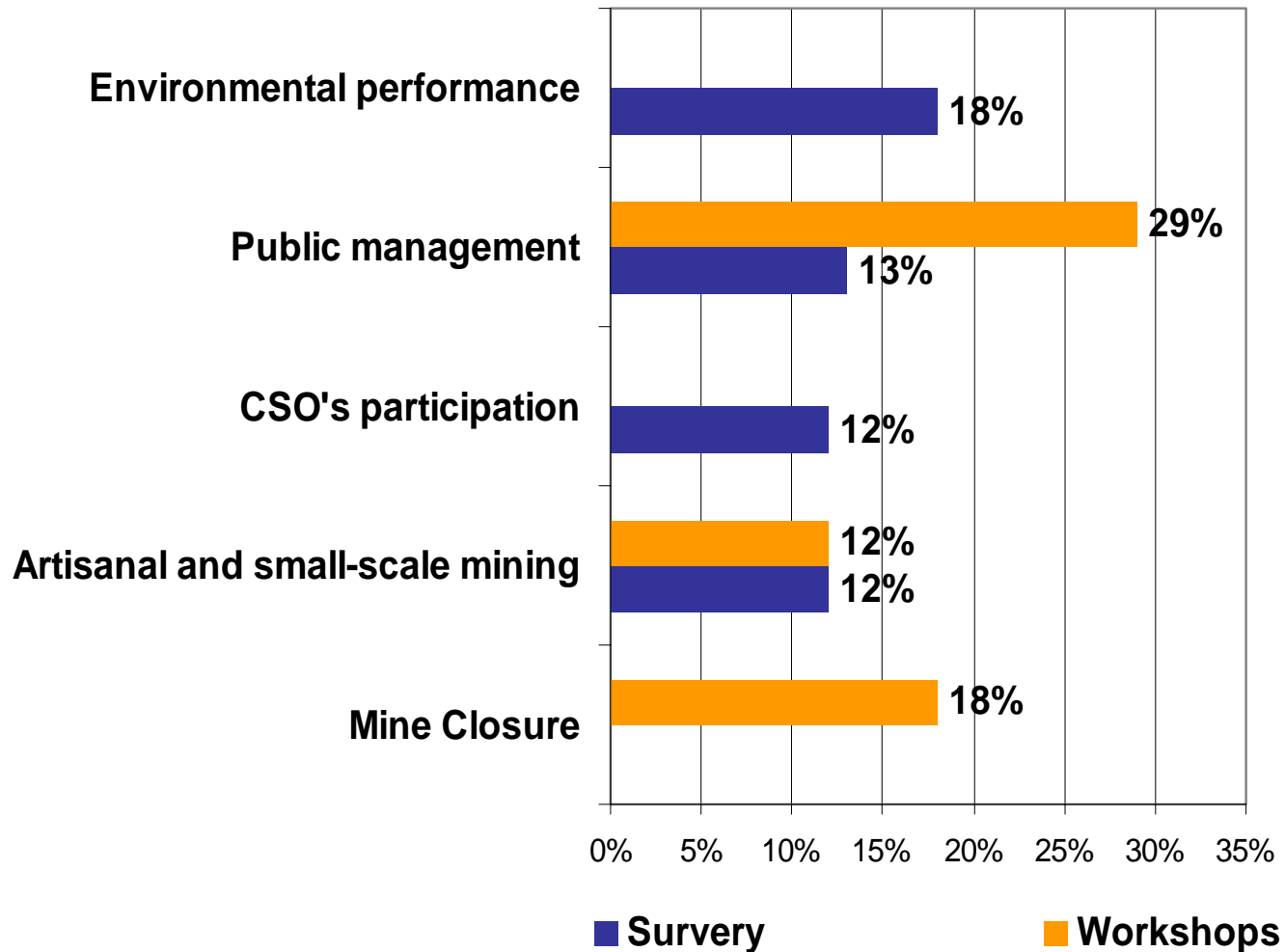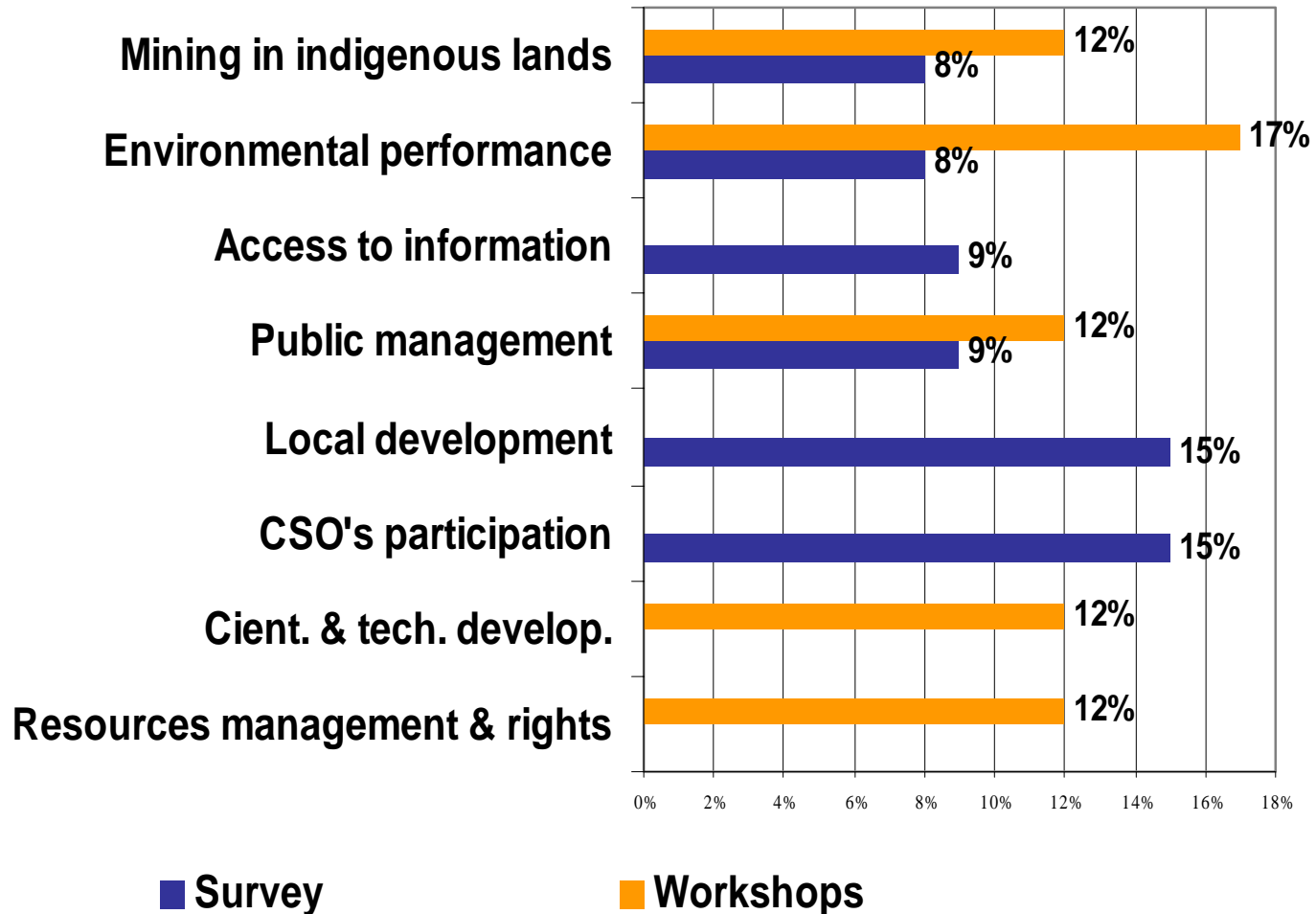## THREE ISSUES MENTIONED AS PRIORITY #1 IN SURVEY AND WORKSHOPS

Chart: Three issues mentioned as priority #1 in survey and workshops.

Issue	Survey	Workshops
Mining in indigenous lands	8%	12%
Environmental performance	8%	17%
Access to information	9%	
Public management	9%	12%
Local development	15%	
CSO's participation	15%	
Cient. & tech. develop.		12%
Resources management & rights		12%

■ Survey   ■ Workshops

MAIN CHALLENGES

- Improve the social and environmental performance of mining

- Develop more efficient and transparent tools and capabilities for public management of NR and land use planning, taking into account diversity

- A more direct and equitable contribution of mining to local sustainable development is required

- Transparent and democratic processes, involving the *informed participation* of all stakeholders throughout the decision making process and mine life-cycle, is a crucial cross cutting issue in the region (It does not mean co-management of the operation).

- Artisanal and Small-scale mining identified by all stakeholders as a key area of work

THE ROLE OF PUBLIC MANAGEMENT AND GOVERNANCE

- Leadership: governments should reinforce their role as articulators of different stakeholder rights and interests, and as leaders in the construction of agreed upon national visions of sustainable development that include mineral resources

- Public sector resource management and decisions regarding mining projects need to better incorporate knowledge and information of economic, environmental, social and governance nature in an equitable manner

- As the basis for trust building among stakeholders governments should improve mechanisms that ensure equity and transparency in their own actions, and those of private sector and civil society organizations

- This includes greater informed participation of all stakeholders in decisions regarding mining projects, from the outset and throughout lifetime of a mining project, with a view to sustainable local development as part of planning for mine closure

IMPROVED PUBLIC MANAGEMENT OF NATURAL RESOURCES: TOOLS AND CAPABILITIES

- Suggested legal tools that facilitate SD and equity in accordance with each national context include: improved and integrated SEIA's; mine closure regulation with financial instruments; decentralization and royalty/tax distribution; accountability measures; improved mitigation and compensation mechanisms for communities; clear rules for indigenous peoples and natural protected areas; informed participation of stakeholders throughout mine life cycle.

- Nations require a better knowledge and information base: for better planned and informed decision-making regarding natural resource management and tracking change = SEIA's of better quality and guaranteed independence

- Operationalisation requires the ongoing training and updating of human resources in government agencies

- Fairer and more equitable international trade relationships are also required to make possible the transition to sustainable devlopment

CHALLENGES FOR COMPANIES

- Build trust through best practice in governance, and social and environmental management: this improves capabilities in local governments and in communities

- Share information base with authorities and communities to enhance articulation of mine life-cycle and planning for closure with local sustainable development plans

- Form partnerships with local community for sustainable local development plans with a view to mine closure

- Create mechanisms to involve local community in evaluation, monitoring, and control of social/environmental impacts, especially in issues of particular local concern

- Articulate social policy to enhance opportunities for locals, in accordance with the culture and development options of local communities

- Advance in voluntary initiatives such as social and environmental certification, codes of conduct, etc.

CHALLENGES FOR COMMUNITIES, INCLUDING MINE WORKERS

- Gain access, use and produce reliable and complete information about minerals and other assets in order to engage in decision-making processes around resource use at the local level
- Build internal consensus around what sustainable local development should look like, based on local cultural values of what are the determinants for accomplishing community wellbeing
- Nurture the formation of leadership around key issues and identify the legitimate representatives of the community, workers and other social organizations
- Negotiate spaces of participation in evaluation, planning, monitoring and control of social and environmental impacts and benefits
- Ensure transparency and accountability of its own organisations and leaders

INDIGENOUS ISSUES: INTERCULTURAL COMMUNICATION AND MANAGING FOR DIVERSITY

- Mining in indigenous territories ?
  - These are today scenarios of economic globalization since many are areas of cultural and biological diversity, and mineral, oil and gas wealth; in Latin America the mineral resources belong to the nations.
  - Processes of education, empowerment, networking among indigenous peoples all over the world are taking to a renewed cycle of demand for recognition of collective rights of indigenous peoples on both the national and the international arenas
  - Diversity of peoples and ecosystems involved require that governments, industry, artisanal and small scale miners, and indigenous peoples themselves, innovative and create intercultural approaches to establishing communication and agreeing on forms of participation in decision making that respect this diversity in "ways of life".
  - In South America there are enormous differences among countries in terms of management of this diversity

OTHER CHALLENGES IN THE REGION

- National, regional and local land planning processes are underway in some countries:
  - Include participatory processes for this planning to be a result of a vision of the future constructed with all stakeholders and taking into account the potentials and restrictions of the ecosystems and the options of the social groups in different regions and localities
- Natural Protected Areas (three postures)
  - Mining cannot occur in NPA's
  - The frontier of mining should be expanded to include Natural Protected Areas and Indigenous Territories
  - Mining activity would require a special regulation in order to go ahead in these areas. It would be a case to case evaluation with full participation of all stakeholers
- Some community and NGO groups also exclude water sources, fertile agricultural valleys and places of special cultural significance from mineral development

IN SUM

- Governments are called upon to consolidate a agile, effective, democratic and transparent institutional frameworks that protect the rights of the most vulnerable groups, while ensuring healthy and stable investment climates, that attract companies with the highest social and environmental performance standards

- Without replacing the state, mining companies are called upon to have greater solidarity with local communities and play a more committed role in local development, in the construction of citizenship and in the strengthening of governance

- All social actors, including mine workers, need to take on their participation rights and with them, the responsiblity of their own future together with governments and the private sector