



PROJECT NEWS BULLETIN

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MMSD, WORLD BANK AND UNEP HOLD CONFERENCE ON FINANCE AND THE MINING AND MINERALS SECTOR

MMSD, the World Bank Group and the United Nations Environment Programme (UNEP) are jointly convening a conference on the role of financial institutions in driving change for the mining and minerals sector. The conference, entitled "Finance, Mining and Sustainability", will take place at the World Bank's headquarters in Washington on 9 April 2001. World Bank President James Wolfensohn will make a keynote speech while Assurance Group Chair Jay Hair will offer the opening remarks.

The meeting will be divided into panel discussions on specific topics accompanied by opportunities for broader debate amongst the attendees. Representatives from the mining and minerals industry, private sector finance organisations, governments, labour, consumers, NGOs and other civil society groups will attend. MMSD hopes the workshop will provide a forum for focussed discussion on a small number of priority issues to feed into the Project's Final Report. A separate report on the outcomes of this conference will be produced.

The gathering has its origins in an MMSD initiative that coincided with similar interests at the Bank and within UNEP. The objective is to address sustainability issues around the financing of major projects in the mining, minerals and metals sectors. The issues focus on the risks that private and public sector finance face in

funding projects, the business case for risk management as an element of sustainable development and the responsibilities of financial institutions and the mining industry to society at large.

Two initial scoping meetings were held in January, the first of which was attended by representatives of industry, public and private sector finance, and the second by NGOs and civil society. These meetings addressed issues including the practices and behaviour of the finance and mining sectors, the causes and consequences of risks to the sector, the issues involved in sustainable performance and the mechanisms for improving performance and information flow. The central issue may be whether the finance sector has the momentum to impose stricter criteria on its lending, in order to drive performance improvements in an industry which often fails to produce the returns to capital that are common elsewhere in the global economy.

While the scoping meetings had a broad focus, the 9 April meeting will attempt to tackle specific issues related to the implications of sustainability issues for the finance sector, in particular the synergies between financing and industry performance and the lessons to be learned from other sectors.

For more information on this initiative or to find out how to get involved in this dialogues process, contact Frank McShane at Frank.McShane@iied.org.

SMALL-SCALE MINING ACTIVITIES BEGIN

Small-scale mining has important livelihood implications, representing the sole or most important source of income in many rural or remote regions, or providing alternative income during periods of economic hardship. It is estimated that between 80 to 100 million people are dependent on small-scale mining for their livelihoods, with women constituting up to 50% of the workforce, and a significant amount of child labour caused by poverty, lack of schooling opportunities and a lack of alternative employment prospects.

One of MMSD's activities relates to this significant area of the mining and minerals sector. An initial scoping meeting was held in Santiago, Chile in January. This meeting established the potential for work around this issue at the regional level.

A number of activities focussing on different aspects of small-scale mining have been undertaken by different groups. Reviews range in focus from local studies for specific initiatives to large studies reviewing activities throughout the world, including studies by the ILO, the World Bank and the United Nations Natural Resources Forum.

MMSD aims to synthesise some of these initiatives by encouraging the development of an information network through its Regional Partners. This will begin with a baseline assessment exercise documenting the characteristics of small-scale mining activities, such as the number of people involved, gender-related issues surrounding them and their impact on livelihoods.

This assessment will be based on ground information gathered regionally through direct access to communities and people engaged in research in this area. In addition,

the study will identify successful projects of technical and financial assistance and evaluate their achievements and shortcomings. Work will be undertaken in Southern Africa and Latin America in the first instance, with hopes of expanding activities to other small-scale mining regions and countries such as Western Africa, Indonesia and Papua New Guinea.

MMSD is actively seeking participation in this area of work. For more information, contact Anne-Marie Fleury at AnneMarie.Fleury@iied.org.

FIRST SCOPING MEETING ON ACCESS TO INFORMATION AND PUBLIC PARTICIPATION IN THE MINING AND MINERALS SECTORS

MMSD held its first scoping meeting on the issue of access to information and public participation in the mining and minerals sectors in Toronto on 14 March 2001. The meeting is the first in a series of activities planned around this theme. It was chaired by Fernando Loayza who designed the agenda in cooperation with MMSD. Attendees included individuals with backgrounds in the mining industry, NGOs and the technology industry.

People were invited to attend the meeting not as representatives of a particular organisation, but because of their individual experiences and knowledge. This approach aims to generate an open and frank dialogue bringing different perspectives to the discussion, without the need for participants to adopt a more cautious institutional position.

Presentations were delivered from a workgroup organised by Dr Loayza, which included Sandor Fülöp and Ian Thomson, and Iain Watt from the Global Reporting Initiative (GRI). The meeting focused on several key areas, including new trends in information management and disclosure (the GRI and the Aarhus Convention); the minerals industry's approach towards access and disclosure in the information age; the overlapping rights and responsibilities of mining-affected groups; mechanisms for building trust in the minerals sector; and a review of the potential role of MMSD within this important area of work.

The key conclusions and action points from the meeting established some priority issues: the need for a comparison of models for stakeholder engagement built around the need for good quality, timely and authentic information; the potential for building capacity in mining-affected communities; and a gap analysis of industry disclosure practices and community needs.

The next stage for MMSD will be to design the terms of reference for a work plan to form the basis for engaging other interested groups in this discussion. For more information, or to participate in activities related to this topic, contact Frank McShane at Frank.McShane@iied.org.

MMSD SCOPING MEETINGS HELD IN RUSSIA AND KAZAKHSTAN

MMSD held its first scoping meetings in Russia and Kazakhstan from 26 March to 2 April 2001. Members of the Work Group travelled to Moscow, and Astana and Almaty, Kazakhstan where they had several meetings with government officials, industry, academics, NGOs and other civil society groups.

Through this visit, MMSD sought to gain an understanding of what different stakeholders view as the principal challenges facing the mining and minerals sector in Russia and Kazakhstan, and to identify possible areas of future research for MMSD in the region, and individuals or organisations that might carry out that research. MMSD is very grateful to the European Bank for Reconstruction and Development (EBRD), the International Project Centre, and the Centre for Russian Environmental Policy for their support in organising and coordinating this trip.

A full report of this trip will be available on MMSD's website in the near future. For more information, contact Ben Sandbrook at Ben.Sandbrook@iied.org.

IN BRIEF...

- On 15-16 February 2001 MMSD participated in the Corporate Citizenship and Canadian Mining and Metallurgy roundtable at Chatham House in London, an event sponsored by the Energy and Environment Programme of the Royal Institute of International Affairs. The roundtable sought to explore the contemporary corporate citizenship agenda as it relates to the operations of Canadian mining and metallurgy companies. Its longer-term goal is increasing awareness and making policy recommendations that lead to continued improvement in socially and environmentally responsible mining and metals use. MMSD will continue to participate in the Institute's Corporate Citizenship Programme in the future.
- On 20 February 2001, members of the Project's Work Group met with representatives of Eurometaux and Euromines in Brussels to discuss the potential for including the European metals industry in its activities. The meeting minutes are now available on the Project's website at www.iied.org/mmsd/mmsd_pdfs/euromines_eurometaux.pdf.
- On 8-9 March 2001, MMSD joined in an event organised by the Mines Ministries of the Americas Conference (CAMMA) in Toronto. The gathering sought to discuss possible contributions of mining to community capacity building and was attended by senior policy-makers from the public and private sectors as well as participants from the NGO community and other civil society groups
- On 27-28 March 2001, MMSD Regional Partners and members of the Work Group participated in a meeting of the Collaborative Group on Artisanal and Small-Scale Mining (CASM), an initiative of the World Bank and the UK's Department for International Development (DFID). The meeting was convened to begin identifying possible areas of work and cooperation.

- MMSD presented its progress towards the Final Report during the recent Mineral Economics and Management Society (MEMS) Tenth Annual Conference in Pittsburgh on 4-6 April 2001. The topic of the conference was “Why has the metals and mining industry done so poorly for its shareholders, and what can be done?” MEMS is a society of mineral, energy, and natural resource specialists who apply economics, finance and policy analysis to the issues facing the minerals and materials industries.
- As announced previously, six new members joined MMSD’s Assurance Group last January. Their biographies are now available in the Project’s Assurance Group web page at <http://www.iied.org/mmsd/assurgroup.html>.
- MMSD has a new brochure available. An electronic version is available in the Project’s website at www.iied.org/mmsd/mmsd_pdfs/brochure.pdf. Hard copies will be mailed to all in the Project’s database of contacts. If you would like to receive additional copies, please write to mmsd@iied.org.

HEADS UP FOR:

- **Next Assurance Group meeting to take place in Johannesburg on 7-8 May 2001.** Several mining industry CEOs, government officials and other interested observers will also attend the meeting. A press conference will be held on 7 May. More detailed information will follow in the next issue of this bulletin.
- **MMSD Regional Partners Meeting on 4-5 May 2001.** MMSD’s Regional Partners and Work Group will also meet in Johannesburg prior to the Assurance Group gathering. This meeting will aim to enhance communication among the Partners themselves and the Work Group as well as increasing cooperation for upcoming activities. The meeting will also address stakeholder engagement and the ways in which the regional experiences can be integrated into the Final Report.
- **Long-Run Minerals Availability Workshop.** In cooperation with Professor John Tilton of the Colorado School of Mines, MMSD has been examining the extent to which progressive internalisation of environmental and social costs in the industry may lead to constraints on mineral availability in the long-run. This study will be reviewed and critiqued by leading experts in a workshop planned in partnership with Resources for the Future in Washington on 23 April 2001. More information on the outcome of this workshop will be available in the next MMSD News Bulletin.
- **Mining Conference in Dundee, Scotland on 6-7 June 2001.** The Centre for Energy, Petroleum and Mineral Law and Policy (CEPMLP) at the University of Dundee will hold a seminar on mining issues. MMSD and PricewaterhouseCoopers will give a presentation on their joint survey of current corporate practices. More detailed information will follow in the next issue of the MMSD News Bulletin.

If you experience any difficulty accessing MMSD materials, on our website or otherwise, please contact us at mmsd@iied.org or by post at MMSD, 1A Doughty Street, London WC1N 2PH, UK

What is MMSD?

Initiated by the World Business Council for Sustainable Development, MMSD is an independent process of participatory analysis aimed at “*identifying how mining and minerals can best contribute to the global transition to sustainable development.*” MMSD is a two-year project designed to produce concrete results during this period, and to create structures capable of being carried forward thereafter.

A key product will be a Project’s Final Report to be presented in draft in late 2001.

An invitation to participate

MMSD is an ambitious venture that depends on the active involvement of civil society, companies, government, the research community and many others for its success. If you would like to receive copies of past or future Project Bulletins, or have any other enquiries, please contact us at:

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