



International  
Institute for  
Environment and  
Development



**Mining, Minerals and  
Sustainable Development Project**

# **MMSD: A PROCESS OF CONSULTATION**

April 2002

## Introduction

The Mining, Minerals and Sustainable Development (MMSD) Project has generated a process and a tangible product, in the form of the Project Report. The two complement one another; the report could not have been produced in the time available without such a process.

To a considerable extent, the MMSD Report will be judged on its merits. Beyond its contents, we also believe that the value of the Report resides in whatever level of legitimacy it may have earned as a result of the process followed in its preparation. This is a report in which many hundreds of people have had an input, and that is designed to acknowledge and reflect a broad range of views. The Project Report should therefore be seen quite differently from a report written to express the findings and views of a small team of researchers or consultants.

This document focuses on how the consultative process has been managed during the life of the MMSD project to date:

- It describes the context in which MMSD worked.
- It outlines the way MMSD approached the challenges of seeking adequate transparency and participation.
- It sets out the key features of the consultative process that began with the initiation of Project activities and continues in the public review of the MMSD Draft. And it discusses some of the dilemmas faced by MMSD in its quest to be as open and inclusive as possible within the very real limits of time and resources.

## MMSD and its Context

MMSD is not an initiative that comes out of the blue, with no roots or antecedents. It is a pioneering initiative that responds to some of the latest currents of thinking on sustainable development. It is an experiment in the new approach to economic, social and environmental governance, placed within a very specific context.

In the past decade, the mining and minerals sector has come under tremendous pressure from various interest groups and the media to improve its social, developmental and environmental performance. And these pressures have affected all actors within the sector.

*Governments*, particularly in developing countries, have spent the last decade creating new frameworks of laws, institutions and policies designed to attract private investment in mining and minerals. It is now clear that attracting investment alone is not enough to ensure development; and that there needs to be a “second generation” look at the investment framework to develop the means to capitalise on the opportunities investment may provide.

Like other parts of the corporate world, *companies* are routinely expected to perform to ever higher standards of behaviour. They are also increasingly being asked to be

more transparent and subject to third-party audit or review. As an emerging response, a number of companies, either independently or with other actors, are establishing ‘voluntary standards’ that often go beyond requirements of law. But some observers doubt the effectiveness or sincerity of these efforts. The industry has been failing to convince some of its constituencies and stakeholders that it necessarily has the ‘social licence to operate’ in many areas of the world.

Technological change and the development of new business models have also posed great challenges to *labour*. In many countries there has been a marked decline in employment, and maintaining wage levels and working conditions, continuing the drive for greater safety, and focusing on the future of those who are leaving the industry are all significant challenges.

The *NGOs* in the sector have their own set of challenges. As the model of development shifts from direct development aid to development driven by private sector investment, development *NGOs* have to find models which allow them to bring their strengths to bear in aid of development without losing their independence of voice and action. Campaigning *NGOs* are finding that issues once thought of as local now require a more complex global frame of reference, and investigating and taking positions on activities half a world away requires new capacities.

Other actors in the sector – from local communities to lenders to educational institutions – are also feeling some of the same pressure, and need to get to a better place for all.

Despite the sector’s importance in meeting the need for minerals and its significant contributions to economic and social development, concerns about aspects of its performance prevail. The litany of concerns is long – and the consequent call for action is compelling.

## **MMSD’s Underlying Premises**

MMSD Project has proceeded on the basis of a number of premises, as outlined below:

- Whether sustainable development requires continued access to metals and minerals beyond what is practically or economically available through recycling and re-use alone, the outcomes must be determined by looking at each mineral commodity individually, and based on available evidence, rather than a prior set of conclusions.
- It is not impossible to extract and use many types of metals and minerals in a way that is compatible with sustainable development.
- Within the mining and minerals sector (including industry, government and civil society in the broadest sense), there are leaders who are committed to exploring the implications of a transition to sustainable development, and it is

legitimate for MMSD to work with these leaders to build a platform for change.

- An initiative largely financed from industry sources can nevertheless work to satisfactory standards of independence and integrity if the governance structures permit.
- Production and use of minerals is such an integral part of human societies that virtually everyone in the world is in a sense a 'stakeholder' in forming policies in this sector. While there is no way even to approach consultation on this scale, a more modest consultative approach can still be useful.
- It is by and large impossible, in any process such as MMSD, to reach a consensus that brings on board the full range of stakeholders while achieving a result that is meaningful, in a limited period of time.
- It is possible, within the time and resource constraints imposed on MMSD, to achieve a result that contributes to the debate, identifies the key issues for the future, points to some areas of possible convergence of views, and leaves in place processes that maximise the contribution of the mining and minerals sector to sustainable development.
- Such realistic progress is enhanced when the Project makes very clear as to what it has – and what it has not – done. There will always be things a project such as this cannot do.

The MMSD report, and the whole process followed by the Project, is based on the assumption that the above premises are shared. It is also based on the idea that the goals of 'independence' or 'objectivity,' while laudable, are very hard to measure. More measurable, and thus more satisfactory as objectives, are these two:

- A process that is capable of two-way communication with all key stakeholder groups; and
- One that is not under the control of any of them.

## **Mmsd: What it is and what it isn't**

For a reader to judge how well MMSD has provided opportunities for stakeholder participation and what standard of transparency and accountability it has achieved, it is important to describe MMSD and the goals it set for itself.

- MMSD is an independent, two-year project (April 2000 – April 2002) of research and consultation seeking to understand how the mining and minerals sector can facilitate and contribute to sustainable development at the global, national, regional and local levels. Its overall goal is to achieve a clear agenda for global change in the minerals sector that is based on careful analysis, that

is understood and supported by many key stakeholders, and that identifies possible mechanisms for moving forward.

- The MMSD Project is sponsored by over 40 organisations, including twenty-eight of the world's largest mining companies, and a variety of labour, environmental, academic, government and intergovernmental organisations, and has an operating budget of approximately US \$8 million, not including in-kind contributions.
- The progress of MMSD towards its goal is overseen by the Assurance Group, an independent, international panel of 25 individuals reflecting a wide range of backgrounds and representative of key stakeholder groups and regions of the world.
- MMSD operates on the basis of four connected functions: (a) stakeholder engagement, (b) research and analysis, and (c) information dissemination. All of MMSD's activities seek to incorporate these three components.
- From the outset, MMSD resolved to make all the material it gathered – submissions, research papers, meeting reports, budget, funding sources, etc., with the exception of a limited number of confidential matters such as personnel files – available to interested stakeholders. The Project places as much material as possible on the website, and makes other material available on request. The extent to which this is done is limited only by human capacity to respond.
- MMSD has based its approach on maximising opportunities for as many stakeholders as possible in the mining and minerals debate to participate in the Project, contributing their views, submitting materials, taking an active part in the debate on issues, reviewing the draft outputs, and satisfying themselves that the independence and integrity of the process is respected.
- After almost two years of activities, MMSD has become the largest multistakeholder process in any global industrial sector.

That said, the MMSD Project was not established to solve, or even to address, all of the sustainable development issues that confront the mining and minerals sector – a sector beset by some of the most intractable problems of any sector and by some of the most deep-seated controversies. At best, it can provide an overview of the main issues that confront the sector, offer a framework for identifying the priority concerns and suggesting processes that will move us closer to finding broadly accepted solutions to currently intractable problems.

From the outset it was recognised that establishing a common platform for all the disparate perspectives in this complex global sector would be an extremely difficult – if not impossible – proposition. Achieving success will require a commitment to work toward more effective engagement for years beyond MMSD's two-year project life. It

would be unrealistic to assume that any approach would be met with quick universal acceptance from all quarters, or that all of the problems could be addressed within two years. If universal acceptance and support from all stakeholders and an agreement among all of them on every element of an action plan within a two-year period was the objective, the project was doomed to failure from the start. This project is based on more modest aspirations.

Despite taking the challenge of participation very seriously, and giving the provision of mechanisms for participation high priority in the allocation of its budget, staff time and travel money, more remains to be done. As the text below will acknowledge, there are some geographical areas that were only superficially covered, or not covered at all. There are stakeholder groups that warranted a greater voice in the process. There are people whose interests will be vitally affected by the direction the sector moves who have said very little.

At the same time, aiming for a high standard for participation takes time and effort. The Project team has devoted long hours to dealing with the concerns of those who prefer to remain outside the project, while trying to avoid giving those concerns any undeserved priority over the concerns of the many other sets of actors who were more open to participation.

Ultimately, inclusion requires time and resources. The project was faced by a tension between including people who had not set the project's deadlines and did not feel particularly bound by them, and meeting its deadlines, which others saw as a prerequisite to putting their trust and confidence in the process. We learned that opting for transparency in the way our outputs are assembled requires time for review and revision. By striving to balance the need to give people a space to participate and the need to deliver some form of results within a reasonable time, we believe that MMSD has attempted to increase the opportunities for constructive engagement between the different actors in the minerals sector, from the companies themselves, to the most ardent critics of the sector.

## **MMSD's Genesis and Evolution**

In 1998, nine of the world's leading mining companies held a meeting to discuss the challenges of sustainable development for the mining and minerals sector. They shared a concern that the sector was failing to respond adequately to some of the pressing issues of the day, and that the reputation of their industry was at risk. The companies launched a programme of internal reform, a review of the various associations they belonged to, and a rigorous study of the social and environmental issues they had to face. They called this the Global Mining Initiative (GMI).

Through the World Business Council for Sustainable Development, they commissioned the London-based International Institute for Environment and Development (IIED) to design and evaluate the scope of a study on how this industry could improve its social, environmental, and economic performance. A team of researchers reviewed existing initiatives and materials and consulted a range of over 120 stakeholders to develop a more detailed framework for the Project. It became

clear that anything financed and designed primarily to meet the needs of the business community would fail to win the wide support required to transform the sector in a way that would maximize its contribution to sustainable development. The team's October 1999 report recommended that a structure be designed to uphold the independence and integrity of the Project, that the study process be highly participatory, and that public and private financing for the Project be in the ratio of 40:60. Finally, the IIED study concluded it was better for the scope to include the full mineral cycle in the global economy – from mine to waste and reuse. This led to the creation of the Mining, Minerals, and Sustainable Development (MMSD) Project.

Encouraging strong stakeholder participation in the Project was considered critical, not only to identify the range of issues at stake, but also to ensure that the results had credibility and weight. The concept for the Project therefore grew beyond a straightforward study of the issues into a process that combined independent analysis, a sharing of perspectives, and working towards building consensus among often conflicting stakeholders in the longer term.

Arriving at an appropriate structure and governance system for the Project emerged as the most sensitive issue. It was agreed that the Project's governance structure should:

- increase the confidence of as many stakeholders as possible and encourage their participation, through a process characterized by integrity, independence and transparency;
- ensure that the Project's management be fully accountable to the Assurance Group and to the wider community;
- be accountable to the sponsors for spending money in accordance with the contract, while maintaining independence of view and editorial control; and
- secure overall results that are practical and implementable.

In December 1999, the World Business Council for Sustainable Development (WBCSD) appointed IIED to manage the Project. Three months later, a discussion draft of the Project Strategy was published. The strategy built on the major concerns raised in the scoping report and drew from earlier experiences.

Several main lessons informed the MMSD Project. Namely, it was agreed that the Project would:

- build on past achievements, ongoing research and experience of government, corporate, academic, and civil society bodies with relevant expertise in the production and consumption of minerals;
- make a major effort, early on, to broaden its contacts with existing centres and networks of research, analysis, and policy development and to seek their active collaboration;
- decentralise project activities, conferring the responsibility for managing most of the work to regional institutions in the principal centres of mineral production and consumption; and
- integrate the element of planning for implementation from the start, to ensure that its efforts result in more than just a documentation of issues.

The strategy identified four main functions to be fulfilled by MMSD: research and analysis, stakeholder engagement, information and communications, and planning for outcomes. Interconnected, these constituted the ‘MMSD approach’ and aimed to ensure the relevance of the research topics selected and the action agendas derived from stakeholder input and the Project’s analysis, as well as the effectiveness with which they could be implemented.

The broad areas for research and action were considered in more detail in May 2000 at a meeting of 45 individuals – MMSD’s Strategic Planning Workshop. This gave stakeholders an opportunity to question the priority assigned to individual issues and the means by which MMSD should address them.

## **The Global Process**

### ***Work Group, Assurance Group, and Sponsors Group***

Following the suggestions of the scoping study and the Strategic Planning Workshop, a structure was designed to support the independence and integrity of the Project, and initial terms of reference for three groups were defined. These terms of reference evolved into charters, finalised by a Charter Working Group under the leadership of Dr. Jay Hair, then Chair of the Project’s Assurance Group.

The three groups – whose full membership is listed on the Project website – are:

- **Work Group:** responsible for executing MMSD at the global level and for co-ordinating regional activities under the leadership of the Project Director. The Group’s main duties are undertaking research, commissioning and supervising research projects, convening workshops, communicating with stakeholders, and disseminating information about the Project and its activities. The Work Group, a multidisciplinary team which at its height consisted of 19 people from 10 countries, is headquartered at the IIED in London.
- **Assurance Group:** an independent international panel of 25 individuals from key stakeholder groups representing diverse areas of expertise in the minerals sector. The members offered advice and guidance to the Work Group and met on a quarterly basis to discuss progress. Initial members were appointed by the Project Coordinator in consultation with the Project Director, using strict criteria that called for geographical and gender balance, a range of backgrounds and perspectives, and a balance between mining proponents and those who challenge or question the industry. This group then established procedures for further nomination and selection of additional members, which was followed for all further nominations. Subsequent members were selected and approved by the Assurance Group through its Nominations Committee, which assessed under-represented stakeholder clusters, held independent consultations to identify candidates, and selected individuals.
- **Sponsors Group:** convened by the WBCSD to represent the organisations supporting and financing the Project. Its members represent 28 of the world’s largest mining companies as well as a variety of government and international institutions, NGOs, universities and foundations. The Sponsors Group served

as a forum in which the commercial and non-commercial sponsors of MMSD could meet and monitor project progress. This Group has no authority over the contents of the report, or on decisions relating to the work plan and activities of the Project. It has served essentially as a forum for a particular group of stakeholders, and as a vehicle for providing MMSD with information and contacts. Members of the group also actively participated in MMSD workshops and meetings, but on the same basis as other stakeholders.

A **Project Coordinator**, working on behalf of the WBCSD, facilitated communication and coordination among the three groups. The Coordinator plays an important role in seeking funding for the Project, liaising between the Sponsors Group, the Assurance Group and the Work Group, representing the Project on public occasions.

## ***Research***

MMSD's research programme was based on extensive consultation achieved through workshops, meetings, interviews, and surveys. After identifying the major themes of research, MMSD began collaborative work with key experts and institutions already working in these areas throughout the world.

**Research Fellows.** Ten fellows, many from the principal mineral-producing regions, with a variety of backgrounds worked on baseline assessments, literature reviews, and participatory research projects as members of the Work Group.

**Research contracts.** Specific research was undertaken by distinguished academics and other experts in a number of different countries. Some were selected by the central project team; others by regional partner organisations.

**Scoping meetings.** A number of preliminary meetings were convened to seek opinion on the focus of background research.

**Workshops and Experts' Meetings.** Much information was gained from participants' papers and presentations describing their work and experiences.

**Regional Partners.** These are described in detail later in this document.

**Well over 100 reports on global and regional issues were commissioned by the Project.** A large number of these are available on the Project website and more will become available in the coming weeks. A list of reports and authors may be requested by writing to [mmsd@iied.org](mailto:mmsd@iied.org).

## ***Consultation: MMSD Global Workshops***

**MMSD convened 23 thematic workshops attended by over 700 participants.** These served to gather stakeholders from mining companies, labour, NGOs, research institutions, academia, community groups, and international organisations from

throughout the world. These meetings provided valuable opportunities for sharing perspectives and played an essential role in informing the Project Report. Workshop reports are available on the Project's website.

- *Strategic Planning Workshop*, 4-6 May 2000, London, United Kingdom
- *Preparing for Implementation*, 24-25 July 2000, Geneva, Switzerland
- *The Role of Financial Institutions in Sustainable Development: The Case of Mining*, 10-12 January 2001, Washington DC, United States
- *Small-Scale Mining in South America*, 24 January 2001, Santiago, Chile
- *Finance, Mining and Sustainability*, 8-9 April 2001, Washington DC, United States, jointly organized by MMSD, World Bank, and UNEP
- *Long-run Minerals Availability*, 22-23 April 2001, Washington DC, United States
- *The Role of Public Participation*, 25-27 May 2001, Woodstock VT, United States
- *Mining and Biodiversity I*, 11-12 June 2001, London, United Kingdom
- *Armed Conflict and Natural Resources*, 11 July 2001, London, United Kingdom, co-hosted with the International Institute for Strategic Studies
- *Large Volume Waste*, 15-17 July 2001, Vancouver BC, Canada
- *Voluntary Initiatives for the Mineral Sector*, 18 July 2001, Santa Fe NM, United States
- *Life Cycle Analysis*, 9-10 August 2001, New York, United States
- *Managing Mineral Wealth*, 15-17 August 2001, London, United Kingdom
- *Human Rights Issues in the Mining and Minerals Sector*, 6 September 2001, Berlin, Germany
- *Corruption Issues in the Mining and Minerals Sector*, 7 September 2001, co-hosted with Transparency International, Berlin, Germany
- *Worker and Community Health in the Mining Sector*, 10 September 2001, London, United Kingdom, co-hosted by MMSD and the Environmental Epidemiology Unit of the London School of Hygiene and Tropical Medicine's Department of Public Health and Policy
- *Indigenous Peoples and Relationships with the Mining Sector*, 27-28 September 2001, Quito, Ecuador
- *Corporate Social Responsibility – From Words to Action*, 15-16 October 2001, London, United Kingdom, jointly organized by the Royal Institute of International Affairs
- *Mining and Biodiversity II*, 25-26 October 2001, London, United Kingdom
- *Artisanal and Small-Scale Mining*, 19-20 November 2001, London, United Kingdom
- *Global Information Dialogue*, 28-30 November 2001, Vancouver, Canada
- *Finance, Mining and Sustainability: Exploring Sound investment Decision Processes (follow-up to the April event)*, 14-15 January 2002, Paris, France, jointly organized by MMSD, World Bank, and UNEP
- *Indigenous Communities and Mining*, 4-6 February 2002, Melbourne, Australia

Workshops were not the only avenues for consultation. The Project met with representatives from various stakeholder groups, participated in external events, sought feedback on its activities, and made itself available to any organisation or individual interested in the minerals sector and sustainable development.

## **Communications**

MMSD's goals required the Project to be able to communicate its objectives, activities, and outcomes very clearly to large, diverse audiences. The principal aims of the communications element are to ensure:

- that there is a high degree of openness and transparency in the Project;
- that people and institutions potentially interested in this work are aware of MMSD and its activities; and
- that input from interested stakeholders, researchers, and other actors reaches and is considered by the Project team, and influences its outcomes.

MMSD aimed to maintain a continuous, transparent flow of information about its overall objectives and activities. The Project website is regularly updated and contains all documents generated by the Project. Since the release of the Project Draft Report, the website receives over 100 visitors per day. A monthly news bulletin – in English and Spanish – is disseminated to at least 6,000 contacts in the Project's database. Efforts have also been made to reach stakeholders without access to electronic communications.

## **Regional Partnerships**

An essential feature of MMSD was the set of autonomous regional partnerships established in four of the world's principal mineral-producing and -consuming regions: MMSD Australia, MMSD North America, MMSD South America, and MMSD Southern Africa. The Regional Partners had their own independent governance structures, and undertook parallel research and engagement activities reflecting regional priority issues, existing capacity, and ongoing initiatives. They fundamentally increased the ability of MMSD to incorporate regional issues and to include regional stakeholder perspectives in global workshops, the research programme, and, ultimately, the Project Report. They also enabled MMSD to tap into research already done in each region and, in many instances, into research networks and organisations at the local level.

All four Regional Partners had regional work groups and multistakeholder review bodies of their own. These groups undertook similar activities across regions, but their work's characteristics and scope differed according to each region. As regional workshops, meetings, and other events took place, all documentation and meeting records were posted on the partners' websites. All publications are available for public review. Each of these processes has elaborated a Regional Report documenting the principal issues – and suggested ways forward – in their respective regions.

At the end of the Project, some of the partners may continue to provide a network of strong, regionally based centres, broadly acceptable to stakeholders and capable of doing quality research on issues of sustainable development and the minerals sector. Details of their structure, programme and outputs may be found on their respective websites, listed below.

## ***MMSD Australia***

The Australian Minerals and Energy Environment Foundation (Ameef) is MMSD's Regional Partner in Australia. MMSD Australia had a Regional Reference Group providing strategic direction, supervision, and representation from industry, government, NGOs, research organizations, trade unions, and professional bodies.

MMSD Australia began its consultation process at an initial conference in December 2000 in Melbourne, where a broad-ranging research programme related to priority issues there identified by stakeholders was set. The programme was fine-tuned in a series of workshops, interviews and conferences. In addition, most of the individual research projects established their own participatory processes.

The research was completed in November and peer-reviewed in a December 2001 conference. The goal set was to identify the key themes emerging from the research and to agree on the broad outline and content of MMSD Australia's regional report.

MMSD Australia also focused on maintaining the process beyond March 2002. The experience to date suggested that the process had added significant value and that there was a strong demand for it to continue.

The Australian partner developed a database of contacts, a regional website ([www.ameef.com.au/mmsd](http://www.ameef.com.au/mmsd)), and a regional newsletter.

## ***MMSD North America***

MMSD's activities in North America are carried out by the International Institute for Sustainable Development (IISD) in Canada. MMSD North America covered Canada, the United States and Mexico.

MMSD North America began its consultation process through an initial regional 'scan' reaching out to individuals and organizations across the United States and Canada, followed by a series of workshops. This process identified five tasks: a profile of the North American mining and minerals sector, a test for sustainability, a North American mining dialogue, establishing scenarios for the future, and a regional report aiming to synthesize these activities. Also, multistakeholder work groups of about 25 members each were formed around each task.

In November 2001, MMSD North America and the Centre for Dialogue of Simon Fraser University hosted and led the first North American Mining Dialogue in Vancouver, Canada. The event roughly congregated individuals from diverse stakeholder groups, including companies (junior, intermediate, major, and service), First Nations/Native Americans, NGOs, labour, mining-dependent communities, researchers and government (federal, state/provincial and local). The meeting aimed to provide an opportunity to build a basis for informing subsequent discussions, decisions and actions within each of these stakeholder groups. MMSD North America is working towards generating an ongoing mechanism for periodic North American Mining Dialogues.

MMSD North America publishes a bi-weekly *Mining Alert*, a summary of world news related to the minerals sector and sustainable development.

The MMSD North America website is found at [www.iisd.org/mmsd](http://www.iisd.org/mmsd).

### **MMSD South America**

MMSD South America is led by the Centro de Investigación y Planificación del Medio Ambiente (CIPMA) in Santiago, Chile, and the Mining Policy Research Initiative (MPRI) in Montevideo, Uruguay. The South American process had two components: research (coordinated by CIPMA) and participation (coordinated by MPRI). Both components were carried out in close coordination to produce a final regional report that addresses a research agenda supported by the participatory process. The Partners rely on an Advisory Group for guidance and information.

The process was run in a decentralised manner, focusing on Bolivia, Brazil, Chile, Ecuador, and Peru, where national teams concurrently conducted research and participatory activities. These national-level processes worked in close cooperation with one another and with the regional coordinators.

Stakeholder profiles were developed for each country. The groups involved included regional, national, and local government; multinational companies operating in the region; national companies; labour unions; artisanal and small-scale mining organizations; indigenous peoples; local communities adjacent to mining projects; NGOs; consultants and academics; and international cooperation agencies. This identification of interest groups was an important first step for the planning of the engagement process. A survey was designed, applied, and completed by 345 individuals from 15 Latin American countries. The results helped establish priorities on the main issues of concern for different groups in the various countries and refined the regional research and participatory agenda.

**Some 50 workshops, attended by more than 700 participants, were conducted.** These were carried out at the national level and were designed to allow for the particularities of each country's reality and possibilities. MMSD South America held two regional meetings with the Advisory Group, Regional Coordinators, National Coordinators, and interested observers, where preliminary findings were presented and feedback and advice were received.

A combination of these activities and the research process led to the identification and validation of 17 key topics for the research programme and participatory activities. The Partners communicated with regional stakeholders through a bi-monthly news bulletin and a regional website, [www.mmsd-la.org](http://www.mmsd-la.org). The South American Regional report is currently available in draft for feedback.

### **MMSD Southern Africa**

The University of the Witwatersrand in Johannesburg, South Africa, and the Council for Scientific and Industrial Research in Stellenbosch, South Africa, are responsible

for MMSD activities in Southern Africa. This process covered the members of the Southern African Development Community (SADC): Angola, Botswana, D.R. Congo, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe. A Regional Work Group, which coordinates the Project's daily activities, and a Regional Steering Committee, which oversaw the Working Group's progress, were established early on in the process.

Southern African stakeholders were identified as labour, industry, academia, government, NGOs and small-scale miners. The first major outcome of the stakeholder engagement process was identification of the critical issues in the region, which became research focus areas. This was done by means of questionnaires, followed by a multistakeholder meeting in November 2000. MMSD Southern Africa's research programme addressed six areas: small-scale mining, HIV/AIDS, mining and society, the biophysical environment, managing mineral wealth and a baseline survey.

MMSD Southern Africa set itself the objective of providing a continuous flow of information to stakeholders in their region. Newsletters reported on progress, and papers, news items, and articles were forwarded to specific stakeholders. They provide information on websites and newsletters from similar organisations, papers on topics of general interest and conference reports thereby contributing to the regional knowledge base. Increasingly, the regional Work Group is used as a resource centre.

Focus group meetings were held in Mozambique, Namibia, Tanzania, Zambia, and Zimbabwe, where stakeholders provided their perspectives on the priority issues in their countries. MMSD Southern Africa believes that there is a strong possibility of country chapters if these early efforts are followed up vigorously.

MMSD Southern Africa held a multistakeholder workshop in September 2001 where the first results of the process were presented to about 100 participants.

The Partners distribute a regional newsletter and post information on a regional website, [www.mining.wits.ac.za/mmsd](http://www.mining.wits.ac.za/mmsd).

## **Other Regional Activities**

### ***Europe***

An initial scoping meeting in December 2000 explored how MMSD might work at the regional level in Europe. Rather than representing a formal multistakeholder consultation exercise, the meeting sought the advice of leading individuals knowledgeable about some of the critical dimensions of the minerals cycle in Europe.

In February 2001, a meeting was held in Brussels with members of Eurometaux and Euromines. It aimed to develop an understanding of their perspectives on priority issues, inform MMSD of their ongoing initiatives, and gather their views on what MMSD could contribute to existing activities in Europe.

Following these meetings, it was concluded that in Europe MMSD should focus on reviewing: key issues facing the industry in the context of the EU Environmental Action Programme, the main drivers behind European developments and regulatory initiatives, identifying key stakeholders and existing initiatives.

A Research Fellow based in Brussels was recruited to address these questions.

### ***Former Soviet Union***

MMSD held some 20 meetings in Moscow and in Astana and Almaty, Kazakhstan, in March-April 2001. These were attended by representatives from a broad range of stakeholder groups operating in the Russian Federation, Kazakhstan, and Kyrgyzstan: industry, local and national government, NGOs and other civil society organizations, and academic institutes.

In a second trip to the region, MMSD staff visited Moscow, the Republic of Khakassia, and Kyrgyzstan, where they held a further series of meetings. A considerable number of issues were raised, including the diversity of regional priorities in the vast territory covered by the former Soviet Union; privatisation, foreign investment, and the distribution of rents; strengthening infrastructure; mine closure and abandoned mines; small-scale mining; environmental protection and preservation; and legacy issues.

Based on the findings of these meetings, MMSD commissioned three baseline studies – on the Russian Federation, the Republic of Khakassia, and Kyrgyzstan – drawing on existing research and on stakeholder consultation and review.

### ***South-east Asia***

Based on communications with organisations in the Philippines and Indonesia, including those from industry, government and civil society, a visit to these two countries was arranged. The purpose was to broaden the network of project contacts and to address the feasibility of conducting an MMSD regional process in South-east Asia.

MMSD attempted to follow the same model in South-east Asia that it had used in other regions. It ultimately changed this policy for a number of reasons. First, we found a disinclination in many cases to work on a regional basis, based on a perception that national circumstances were unique. It took the Project longer than it had elsewhere to establish a network of regional contacts on which it could build partnerships, partly due to the intense lack of trust in the region. This meant a reduced time available for the work. MMSD ultimately concluded that to try to achieve a full multistakeholder process in this region, while ultimately desirable, could not be achieved in a time period relevant to this project's requirements, and that trying to do so would likely do more harm than good.

During meetings in Manila and Jakarta, it was agreed to convene a workshop to solicit feedback on acceptable and appropriate ways to conduct the MMSD process. The

workshop was hosted by Environmental Science for Social Change (ESSC), based in Manila, and attended by approximately 10 delegates from Indonesia and the Philippines. There was a clear expression of interest in, at the very least, conducting baseline studies of the issues associated with the sector and examining the potential for further work.

It also became clear that the best organisational framework was a national, not a regional one. Workshop delegates agreed that Economin, an Indonesian consultancy, working with others, would manage the baseline study in Indonesia and that ESSC would undertake the work in the Philippines. Unfortunately, due to the tense political crises that surfaced at this time, ESSC was unable to carry out the study. In turn, MMSD requested that a group of experts from the Department of Energy and Natural Resources provide a background paper on the current state of the industry in the Philippines. A second study was commissioned on human rights issues in Indonesia.

### ***Papua New Guinea (PNG)***

PNG was another country that could not be assigned to a regional process. Given the close links between the Australian mining industry and the sector in PNG, it was initially suggested that PNG and Australia could conduct work and participatory engagement on a joint basis. Observers – in particular from the Australian NGO sector – expressed concern that this would result in an emphasis on Australian issues at the expense of PNG and a perception of paternalism. The Australian process therefore moved forward on its own.

As MMSD progressed, there was serious doubt as to whether there were enough resources to conduct a full-scale national process in PNG. Nevertheless, the Project also recognised that there were significant issues and lessons to be learned from the sector in this country. Two expert studies were therefore commissioned in PNG – one a background paper on issues, current status, best practice, and ways forward, and the other focused on mine closure issues, as several mines in PNG were near the end of their lives.

### ***Other Countries***

Research on small-scale mining was also undertaken in some 16 countries, including Burkina Faso, China, Ghana, India, and Mali.

## **Project Report Consultation Draft**

The consultation draft of the Project report has been made available for public review through 17 April 2002. It is available in hard copy or can be obtained from the project website at [www.iied.org/mmsd/draftreport](http://www.iied.org/mmsd/draftreport). This seven-week comment period is intended to give any interested individual or organisation, a chance to respond to, criticise, or point to gaps or errors in the report's analysis, or suggest where there may be a lack of balance in its findings and recommendations.

Comments received will help to improve the report so that it has as much value as possible for everyone in the sector, and to ensure the indicated ways forward have as much potential as possible of being adopted. This period will not seek to build consensus among stakeholder groups on the views presented here. It will identify any areas in which it appears there is some convergence of views. The objective of this comment process is granting the opportunity for receiving – and providing – feedback on the Project's conclusions to date.

A number of activities will facilitate stakeholder access and input. Four regional events will be carried out in conjunction with the Project's Regional Partners in March and April 2002. Staff will also attend a number of international events where these preliminary findings will be presented and debated.

## Final Considerations

Among the results to date have been these:

- *There has been a very encouraging upwelling of ideas from many elements in the sector.* Governments, major companies, artisanal miners, mine labour organisations and some NGOs have contributed a great deal to the process.
- *Not everyone has confidence in engaging with the process or where it is going.* While some stakeholders have been more engaged than was anticipated, and the project has benefited immeasurably from that engagement, a level of suspicion has persisted in some quarters – such as smaller mining companies, some environmental organisations, and those in the downstream end of the industry, such as fabricators – who preferred to keep their distance while watching events closely.
- *Not everything has always gone fully to plan.* MMSD has had some setbacks, bouts of bad luck and made mistakes. However, we have also had some very positive surprises and things that have gone better than expected.
- *Given the realities of time and resources, the mechanisms set up for the project have functioned reasonably well.* A considerable amount of thoughtful work has been carried out in a short time, and the Project has considerably advanced understanding of the link between mining and minerals and sustainable development. These positive impacts are expected to continue and grow as others with more opportunity for reflection continue to evaluate project results and findings, and to move the agenda forward.

The choices that the Project has had to make have often been difficult, and the debate around them intense. Some of the dilemmas have not been easy to resolve. For example:

- How to regard a Project that is set up at the initiative of a group of mining and minerals companies, when those same companies are held in deep suspicion by a range of key stakeholder groups, and are held responsible by these same

groups for a range of social and environmental problems surrounding mining and minerals development.

MMSD believes that there is no monopoly on good ideas. In this case, the initiative came from the industry. It might just as well have come from the governments, or the anti-mining NGOs. What counts is that, once the idea was floated, a rigorously independent process was established to take it forward, and the idea was translated into a transparent process of consultation and research. MMSD is not “owned” by those who originated the idea.

- If that is so, what should one think of a project that went forward with a significant majority of the funding coming from the mining companies themselves?

The Project had to proceed on the basis of guaranteed funding from the corporations, and seek the rest along the way. But, as with the previous question, whether or not this is a problem depends on the steps taken to ensure the Project’s independence and integrity. The fact that the Sponsors Group had no hand in determining the content of the report, that the Assurance Group is made up of a wide and balanced group of stakeholder representatives, and that the project is the responsibility of IIED, an institution known for its independence and critical perspective, all guarantee the integrity of the MMSD project.

- What of the fact that some groups have chosen not to participate in MMSD?

We regard that as unfortunate and would greatly have preferred to have all voices at the table. But the levels of suspicion and distrust in this sector have taken many years to develop and no one can overcome these problems overnight. In the end, while some have chosen to participate, others remain on the outside – by their own choice. While they are important and deserving of consideration, so are the many organisations that have chosen to take part. We believe that we have gone as far as reasonably possible to involve those groups who have decided to stay out.

- How representative are MMSD’s outcomes when some issues were not explored in the depth they deserved, when some important geographical areas were given only superficial treatment, and when not everyone in the sector has even heard of the MMSD project, let alone participated in it?

The outcomes derive from a process that is described in some detail above. Within the confines of that process, we believe the results are in fact both representative and useful. MMSD did not intend to address every issue, to bring in every stakeholder, and ensure every perspective is addressed in depth as a condition of success. We believe that MMSD has made an important and useful start in listening to a wide range of stakeholder concerns, identifying a clear set of issues that must be resolved if the mining and minerals sector is to make a transition towards sustainable development, and setting in place a series of platforms and processes by means of which the debate and the search for solutions may be taken forward.

## Conclusion

The MMSD Draft Report is now in the public domain. The two-year process, with all of its strengths and weaknesses, is drawing rapidly to a close. The struggle to make mining and minerals development more supportive of the aims of sustainable development has just begun and has a long way to go.

MMSD will have succeeded if it has helped this process along its way. We hope that we have offered a framework for addressing the issues that arise in a constructive way. We hope that the debate will deepen, spread, embrace new stakeholders and focus on new geographical areas. We hope MMSD will reinforce the regional processes underway and spawn new ones, and that these will lead to a multiplication of national or local initiatives. We particularly hope that the maximum number of stakeholder groups will accept that there are benefits to be captured in a process that brings divergent interests together even if it is sometimes necessary to retreat behind the barricades. That engagement, though, depends on trust. It will continue to be advanced if there is continued industry leadership toward more formal commitment to change. But there are limits on what industry can do alone, and all those committed to sustainable development will need to assist to maximise progress on this path.

Whatever its merits or faults, the Project has aimed for new standards of transparency and participation in a sector not known for either. We believe that the goal of sustainable development is more likely to be reached if all the key stakeholders work together to cement in place new standards of transparency and participation without which there cannot be adequate accountability, and to use all three to ensure the legitimacy of the forward process. Either we will usher in new standards of behaviour and governance as the accepted norm, or we will relapse into a downward spiral of controversy and conflict.

MMSD has made its choice. We hope other stakeholders will follow.