



Sustainable Development

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Sixth Assurance Group Meeting, 3-5 December 2001, Selsdon Park, Croydon, UK

Meeting Minutes

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Attendees

Assurance Group

Richard Baldes, Anna Cederstav, Cholpon Dyikanova, Colin Filer, Douglas Fraser, Reg Green, Kathryn McPhail, Glenn Miller (Chair), Ligia Noronha, Manuel Pulgar-Vidal, Charles Secrett, John Stewart, Helmut Weidner, Doug Yearley

Work Group

Juan Altamirano, Luke Danielson, Caroline Digby, Anne-Marie Fleury, Gabriela Flores, Sarah Henson, Bruce Howard, Bernice Lee, Frank McShane, Ben Sandbrook, Amy Twigge, Libby Wood

Project Coordinator

Richard Sandbrook

Others

Lilian Chatterjee, Nigel Cross, George Greene, Izabella Koziell, Peter Stalker, Linda Starke

Apologies

Trisha Caswell, Mick Dodson, Jacqueline Alosi/Wanda Hoskins, Gerard Holden, Namakau Kaingu, Tony La Vina, Daniel Meilan, Duma Nkosi, Senzeni Sokwana, Osvaldo Sunkel

A subsequent meeting was held on 10 December to discuss the draft report with Trisha Caswell, Gerard Holden and Wanda Hoskins.

Report Production Schedule

The work group presented the first complete draft of the MMSD report to the AG. The intention was that the report would be amended based on AG comments and would then be made publicly available on 14 December 2001. However, the AG felt that the report needed more work before being made publicly available. Their overarching concerns were that an Executive Summary and Agenda for Change still needed to be written and that the report needed to be better integrated. They also felt that given the substantial amount of work still required, they needed to see a revised draft of the report to ensure that their suggestions had been incorporated before it was made public.

It was therefore agreed that the AG would receive a revised draft on 28 January 2002 and that an AG meeting would be held on 18/19 February to discuss it. The draft report would then be distributed on March 4 for public comment. The comment period would close around mid-April and the regional fora would be postponed until March/April.

The AG also felt they should meet to discuss the Final Report after incorporation of comments. It was agreed that the potential need for another AG meeting before the report was finalised would be discussed at the February meeting.

General Comments on the Draft Report

In general, the AG felt that:

1. The report still required considerable editing to improve coherence and style and to shorten its length.
2. Regional action plans coming out of the regional processes should be included in the report.
3. Three key parts of the report were not written or were incomplete: executive summary, tools for integration, and the agenda for change.
4. A number of critical themes were missing or incomplete, including: indigenous people; metals and use of minerals; regulation and enforcement mechanisms.
5. There were a range of views on the overall tone of the report – some members found it to be anti-mining while others felt it was an accurate assessment of the sector.
6. The general consensus was that it reflected an improvement on the previous draft.
7. The report needed much harder recommendations regarding what industry and other actors should do.
8. The business case needed to be emphasised throughout.
9. More mention of the role of Labour Unions was required.

Comments on Specific Chapters

Sustainable Development

Overall it this chapter considered to be clearly written and coherent and to provided an accurate description of SD background and thinking. But it was generally agreed that the SD chapter needed some redrafting to set the tone and direction for the report. Linkages between the four pillars of SD needed to be made more explicit. Too much space was given to historical analysis not related to the minerals sector rather than to consideration of the implications of integrating SD principles for the minerals sector and how these could be operationalised. The Chapter also failed to sum up the emerging consensus around the non-negotiables of SD and did not take a position on where MMSD stands on the spectrum of opinion.

Need and Availability

The AG felt that the narrative in this chapter needed to be more focused on what availability and need mean in the context of SD. Issues relating to best practice, consumption trends, equity of consumption, basic needs, and limits to consumption needed to be addressed and exemplified through the case studies of specific minerals. The importance of the process for determining who decides on availability and need needed emphasising as well as the unintended consequences of policy decisions.

Gold Case Study

It was broadly felt that there should be fairer treatment of the issues concerning the gold industry. Some members felt that the report tried to make excuses for the gold industry, for example, by describing it as central to development without consideration of its social and environmental legacy, or the use of cyanide. It was agreed that the gold industry should be assessed both in terms of debits and credits rather than finding middle ground.

The way the case study was pitched was found to be problematic. Questioning whether gold is necessary requires a value judgement. It was pointed out that the same arguments that apply to gold could apply to other minerals such as diamonds, garnets etc.

Industry Viability

It was suggested that in this chapter, the importance of the minerals sector in providing a platform for SD should be emphasised and that the business case be laid out in this chapter and then be a recurring theme throughout the report including the need for risk management.

Access to Land

It was suggested that the report spell out clearly the fact that the value of land is often low because land rights are not clearly identified and that this often occurs because they are indigenous lands.

The need for communities to have the capacity to negotiate and understand the full value of land for fair transactions to occur was emphasised as was providing an understanding of the criteria for communities to say no to mining. Even with land titles communities are not guaranteed that they will not lose their land.

It was felt that the definition of indigenous people needed improving and recognition given to the fact that there can be significant differences between indigenous communities.

Economic Development

Areas that it was suggested needed to be addressed or needed more emphasis included; the economic legacy of mining, governance and capacity issues, loss of mineral wealth through mining, new types of fiscal mechanisms for creating and distributing wealth, and solutions to address the WTO/free trade regime.

Communities and Mines

Areas that it was suggested needed to be addressed or needed more emphasis included; ensuring that communities affected by mining have their voice heard at the national and international levels, documentation of good and bad practice, trade-offs, and legacy issues.

In terms of the recommendations, it was felt that the interesting ideas were often embedded in the text and did not come out in the recommendations. It was also noted that there were virtually no recommendations for communities or NGOs. It was felt that there was insufficient attempt to relate local level impacts to the preceding chapter on national economic development.

Environment

Some members felt that the chapter came across as excusing the mining industry while others felt it had an anti-mining tone. The AG felt that the chapter used a lot of inflammatory and apologetic language and that many parts of the chapter needed to be strengthened. In part to overcome this, it was suggested that the case studies needed to be more balanced.

Areas that it was felt needed more emphasis included: acid mine drainage; no-go areas; best practice; the business case for improving environmental performance; developing models for close-cycle operations; environmental issues relating to metals; the internalisation of environmental costs; the international regulation of cyanide; and codes of conduct and audit mechanisms.

The report needed to come up with some a schema or system for deciding on the best system of tailings disposal. It was suggested that the report seemed to hold the assumption that riverine disposal may go ahead if no other option were available. It was important to recognise the basic right of communities/civil society to decide on go/no go issue in the recommendations.

It was commented that the chapter lacked recommendations for communities and NGOs.

Markets

This chapter was considered to have the potential to be one of the strongest in report - it addresses a paradigm shift because it talks about a holistic approach to the sector. We have to choose which approach we want and it has to be reflected at the end in the recommendations section. We need to shift to using secondary product in industrial developed countries and demonstrate the business case for this.

Areas that is was felt required more detailed discussion included: information on metals use, the potential for companies to branch out from mining to the provision of metals; the promotion of recycling as an alternative to mining; energy costs as a consideration in product substitution; the concept of environmental space; and the role of technology.

It was agreed that in addition to the environmental impacts through the minerals cycle, the chapter needed to consider social consequences of changes in the nature of production of mineral products.

Access to Information

Topics which it was suggested were missing or required further consideration included access to information at workplace; information and training for emergency response; best-bets, the need for protection of some kinds of information; the business case; the rights of communities for information; the impact of future technologies on access to information; ways of monitoring change (such as indicators); the relation between access to information, transparency and democracy; the global digital divide; ensuring the quality of information.

It was suggested that a recommendation for NGOs should be to encourage them to provide information on community needs.

It was pointed out that the real challenge is not just increasing access to information but also increasing the cognitive capacity to collect, use and disseminate information.

Artisanal and Small-Scale Mining

It was felt that the different forms of ASM needed to be more clearly distinguished.

There was concern that the recommendations for regulatory controls put forward in the chapter would not work for ASM, in part because of the limited capacity of governments to enforce any ASM legislation. It was suggested that recommending partnerships at the community level may be more appropriate.

Concern was expressed over the encouragement of ASM and in particular the use of mercury given its serious health impacts. It was suggested by one AG member that MMSD should condemn the use of mercury and that governments could play a role

in stopping this. The work group pointed out that bans on mercury use or other activities would not work unless alternative livelihoods are provided. Agreed that there needs to be some sort of recommendation concerning mercury.

Another recommendation in the report could be about the role of large companies in supporting ASM for example in the provision of technical assistance.

Sector Governance: Roles, Responsibilities and Instruments

It was suggested that greater consideration be given to: the appropriate balance between regulation and voluntary initiatives; rewarding best practice; the importance of macro-economic arrangements; enforcement and the capacity of governments to undertake this; post-closure arrangements; the enforceability of voluntary mechanisms; and the time factor of policy reform.

Action Plan/Recommendations

It was suggested that recommendations should be oriented in terms of the short- and long-term at the regional and global levels. They needed to get in touch with some of the harder issues and have a primary focus on what the industry and the ICMM can do.

- *Inter-Governmental Forum*

It was suggested that the report should consider a multi-stakeholder forum rather than an inter-governmental forum, or alternatively an inter-governmental forum with multi-stakeholder input. In addition the need to draw a distinction between regional and global fora was emphasised as well as the need to clearly define exactly what the forum would address.

- *Technical Facility*

The AG felt that the idea of a technical facility was a good one but needed to have built into it ways of ensuring that it does not perpetuate capacity imbalances. The need for the facility to help governments build local capacity should therefore be built in. There should also be mechanisms to ensure that companies do not get off the hook as a result of this organisation.

They also suggested that if it was intended to provide emergency response, lessons could be drawn from other emergency response mechanisms.

- *Industry Code*

The importance of early involvement by different stakeholders to ensure the success of a code was emphasised. The challenge of choosing representatives should be given to the stakeholder groups themselves.

- *Lender and Insurer Safeguard Systems*

Lenders and insurers were recognised as increasingly become a driver in the industry, because of the type of campaigns that will be run against companies. It was suggested that compliance, representation and incentives be considered together as one package.

Safeguard policies were seen as the minimum that should be recommended since they do not achieve more proactive things such as poverty reduction. While important, the WB standards were considered the lowest common denominator and it was suggested that even strengthened World Bank standards would not be sufficient.

Chapter Conclusions/Recommendations

It was suggested that:

- A consistent framework be used in each chapter - the Sustainable Development Chapter could be used as an organising framework for recommendations in subsequent chapters;
- There could be four principles used as the framework for recommendations: They should 1) converge, 2) be SMART, 3) support the principles laid out in the SD Chapter and 4) support best practice;
- Recommendations be cascaded into goals, objectives and recommendations;
- They be grouped with indicators and timetables for progress;
- Responsibilities should be made very clear - need clusters of recommendations that are for governments, international organisations, NGOs, civil society, community, and labour;
- Recommendations should be concise yet complete enough to stand alone without referring back to the chapter for justification; and
- Where recommendations have come out of workshops/reports, particularly where they are based on consensus, this needs to be emphasised.

GMI Conference

The need for clear water between the launch of the MMSD report and the GMI conference was stressed by various AG members – the report had to be a starting point for discussion at the conference in Toronto.

Process of Consultation

The need to state the limitations of MMSD process in the report was raised, including the issue of non-participation by the NGO community and acknowledgement that the process would have been better if that participation had

occurred. Needed to note that effort has been made to engage the NGO community and that more effective ways of involving groups in the future are needed.

Working Papers

Agreed that the background working papers would be published in a CD which states clearly that the papers are the responsibility of the authors. This is important for transparency and to allow for the varying quality of background papers.