

Status Report 2, MMSD – NA Follow-up

12 December 2002

IISD Mining/Minerals Team

1. Background

Through their recommendations, MMSD North America participants identified 10 priority actions for follow-up. These are summarized in Appendix 1. The implementation process for the resulting Strategy for Change is based first on encouraging existing relevant initiatives where they are already underway, and second on facilitating partnerships between interests.

Together these actions provide an opportunity to:

1. address the highest priority actions while sharing the responsibility for action amongst the broadest possible range of interests;
2. maximize efficiencies while nourishing the engagement process that was initiated through MMSD – NA;
3. build on the ‘good will’ that now lies between the MMSD Mining team and the various communities of interest;
4. pursue a collaborative and innovative approach to public policy development.

The IISD Mining/Minerals Team has categorized the follow-up activities into four tasks:

Follow-up Task 1. Progress Oversight Group. Creation of a mechanism to: (1) affect coordination between the activities of all the various players; (2) serve as a kind of clearinghouse of information; and (3) report to the Mines Ministers of Canada AGM on progress achieved.

Follow-up Task 2. Pilot Applications of the Seven Questions (7QS) Assessment Framework. Generation of a number of pilots of the 7QS; subsequent reconvening of the various interests (corporate, First Nation, government, non-government, academic) to collaboratively revise the system based on field experience.

Follow-up Task 3. Support the Convening of Collaborative Efforts. Follow-up on Recommendations 4 (Performance), 6 (Dispute Prevention and Resolution), 2 (Legacy Future), 8 (Decision-Support) and 9 (Learning/Research Support)

Follow-up Task 4. Equity Review. Follow-up on Recommendation 5. Undertaking a review of the distribution of costs, benefits, and risks associated with mining and mineral activities: how to best identify all of the costs, benefits, and risks; how to fairly distribute them between implicated interests.

The status of each of these is summarized below.

Task 1. Progress Oversight Group (MMSD – NA Recommendation 10)

An initial Coordinating Committee has been established that tentatively consists of David Kerr (Executive Chair of Noranda, Vice Chair of ICMM), David Runnalls, President and CEO of IISD, and Gordon Peeling, President and CEO of the Mining Association of Canada.

In this task, the IISD Mining/Mineral Team has agreed to convene the initial meeting of a multi-interest group dedicated to tracking progress and reporting out from time to time. The first report-out is targeted for the 2003 Mines Ministers of Canada AGM to be held in Halifax, September 2003.

Task 2. Pilot Tests of the Seven Questions Assessment Framework (MMSD – NA Recommendation 3)

In this task, the IISD Mining/Mineral Team is working with a variety of organizations to mount pilot tests of the Seven Questions Assessment Framework. The status of various pilots is as follows:

<i>Pilot</i>	<i>Description and Status</i>
<u>A. Most Advanced, Strong Positive Signal Given</u>	
1. Tan Range Exploration	Tanzania, exploration, gold/copper. Using framework to redesign corporate policy. Discussion paper produced; is being reviewed in Tanzania now.
2. Morrison Project, Pacific Booker Inc.	Northwestern BC property, advanced exploration, resource estimate being made, early steps towards regulatory approvals. 7QS proposed for use in issue identification and risk assessment.
3. Pueblo Viejo Project, Placer Dome.	Dominican Republic, design stage, gold. 7QS proposed for use in issue identification and risk assessment. Discussions held with the World Bank/IFC on Monday, November 11 regarding potential collaborative effort using both the 7QS and the IFC Sustainability Framework.
4. CAMECO Corporation.	Uranium (northern Saskatchewan), uranium processing (Ontario) and gold (Kyrgyzstan). 7QS proposed for use in redesign of corporate sustainability policy and as means to review current sense of issues and risks associated with their various projects.
5. Tahltan Nation.	Northwestern BC, Stikine River basin. 7QS proposed for use in the First Nations undertaking an overall review of mining's role in their territory.

6. BHP-Billiton	7QS begin examined as a practical tool for application of sustainability concepts for base-metal mines.
7. Community-based Collaborative Forest Restoration and Development, Apache-Sitgreaves National Forest, Arizona	Proposal to the US Forest Service in response to forest fire threat and program to thin forest to reduce the fire threat. 7QS is being used as an overall-guiding framework for implementing sustainability ideas.

<i>Pilot</i>	<i>Description and Status</i>
<u>B. Significant Interest Signaled, Partner Waiting for Discussion Note</u>	
1. FOE Canada/IDRC Mineral Policy Initiative Collaborative	FOE Canada would work with the FOE group in the South American country chosen for pilot. MPI is located in Montevideo and led by Christina Echavarria, leader of MMSD South America. Site in northern Columbia proposed (iron mines).
2. Bella Coola Aggregates Project	Bella Coola is one of the coastal BC communities hardest hit by the fisheries decline and soft wood lumber dispute. Currently has 58% unemployment. 7QS proposed as an assessment and design framework for a proposed aggregate export (to coastal US) project.
3. Gros Morn National Park	Newfoundland. Local citizen (Tony Berger who sat on the Seven Questions Work Group) interested in applying the 7QS to Gros Morn.
4. AMEC Consulting	Desire signaled to apply the 7QS on one or some of their many mining projects. Eventually wish to gain a capacity to do so as part of their consulting services.
5. Noranda (Darrell Panell, President and CEO, David Kerr, Executive Chair, Robert Telewiak, VP Sustainable Development)	Met with David Kerr (now Vice Chair of ICMM) and Robert Telewiak on Friday, November 15 th .
6. Navigator Exploration	Initial contact made with Eira Thomas, President

<i>Pilot</i>	<i>Description and Status</i>
<u>C. Signal of Interest Received, No Follow-up yet from our Side</u>	
1. Newmont Mining (Dave Baker, VP Environment)	No action yet. Dave Baker signaled enthusiastic support after GMI in Toronto.
2. Alcan (Dan Gagnier, VP Environment, Ron Nielsen, Manager, SD)	No action yet. Ron Nielsen was active member of Work Group. Alcan's Kitimat work was very influential in design of the 7QS.
3. RTZ (Peter Eggleston, VP Sustainability, Elaine Dorward-King, Head HSE)	No action yet. (Elaine Dorward-King led the team at the Borax mine that very much influenced the design of the 7QS.
4. Anglo American (John Groome, VP Environment, Peter O'Connor, Assoc. General Counsel, U.S.)	No action yet. Head office (John Groome) signaled support but will leave it up to operations to initiate.

Task 3. Activities to be Convened by Others

Follow-up on these activities are to be convened by variety of organizations and the IISD Mining/Mineral Team Role is envisioned as a supportive one: (a) using its network to identify key players; and (b) assisting in designing and implementing a fundraising strategy. In all cases, the intent is to generate a multi-interest group to participate in solution building.

The status of each of these activities is as follows:

<i>Recommendation</i>	<i>Canadian Convenor</i>	<i>Status as at 12 November 2002</i>
1. Legacy Past	National Advisory Committee on Orphaned and Abandoned Mines (ADM Mines of Manitoba, Christine Kaszyski, Chair)	Fully active. No action required on part of the IISD Mining/Mineral Team
2. Legacy Future	UBC Department of Mineral Engineering (Malcolm Scobble, Professor and Head)	Work Group has been struck to design follow up program. Aiming for meeting next Spring to coincide with either PDAC (Mar 9 – 12) or CIM (May 4 – 7) AGMs
4. Performance	Prospectors and Developers Association of Canada (Tony Andrews Executive Director) (with the Northwest Mining Association in the U.S.)	Discussion held between IISD Mining/Mineral Team and PDAC on Friday, 15 November; PDAC prepared to move ahead with this initiative.
6. Disputes	Dialogue Forum Project, M.J. Wosk Centre for Dialogue, SFU. (Glenn Sigurdson, Project Director)	Research Assistant assigned. Topic to be considered at a full meeting of the Dialogue Forum to be held 10 – 12 January 2003.
7. Recycling/Hazardous Waste		Environment Canada is holding a series of public workshops Jan/Feb/Mar on this topic. It is also to be considered at the Spring AGM of the Mineral Economic and Management Society (MEMS) to be held in Golden, April 9 – 11.
8. Decision- Support	Faculty of Engineering, Laurentian University (Dr. Greg Baiden, Director)	No action yet. Topic to be considered at the Spring AGM of the Mineral Economic and Management Society to be held in Golden, April 9 – 11.
9. Learning/Research Support	CIM (Yves Jacques, Executive Director) (working with SME in the U.S.)	No action yet.

Task 4. Equity Review (MMSD – NA Recommendation 5)

Many interests believe that the current distribution of costs, benefits, and risks arising from mining/mineral activity is unfair. However, in spite of this concern, there is a dearth of documented experience that demonstrates how greater equity in the distribution of costs, benefits, and risks associated with mining and mineral activities, can actually be achieved. This is a particularly difficult issue in public policy. However, because of the practical and limited focus on mining, using it as a focus presents a powerful way to develop useful policy prescriptions that have implications well beyond mining.

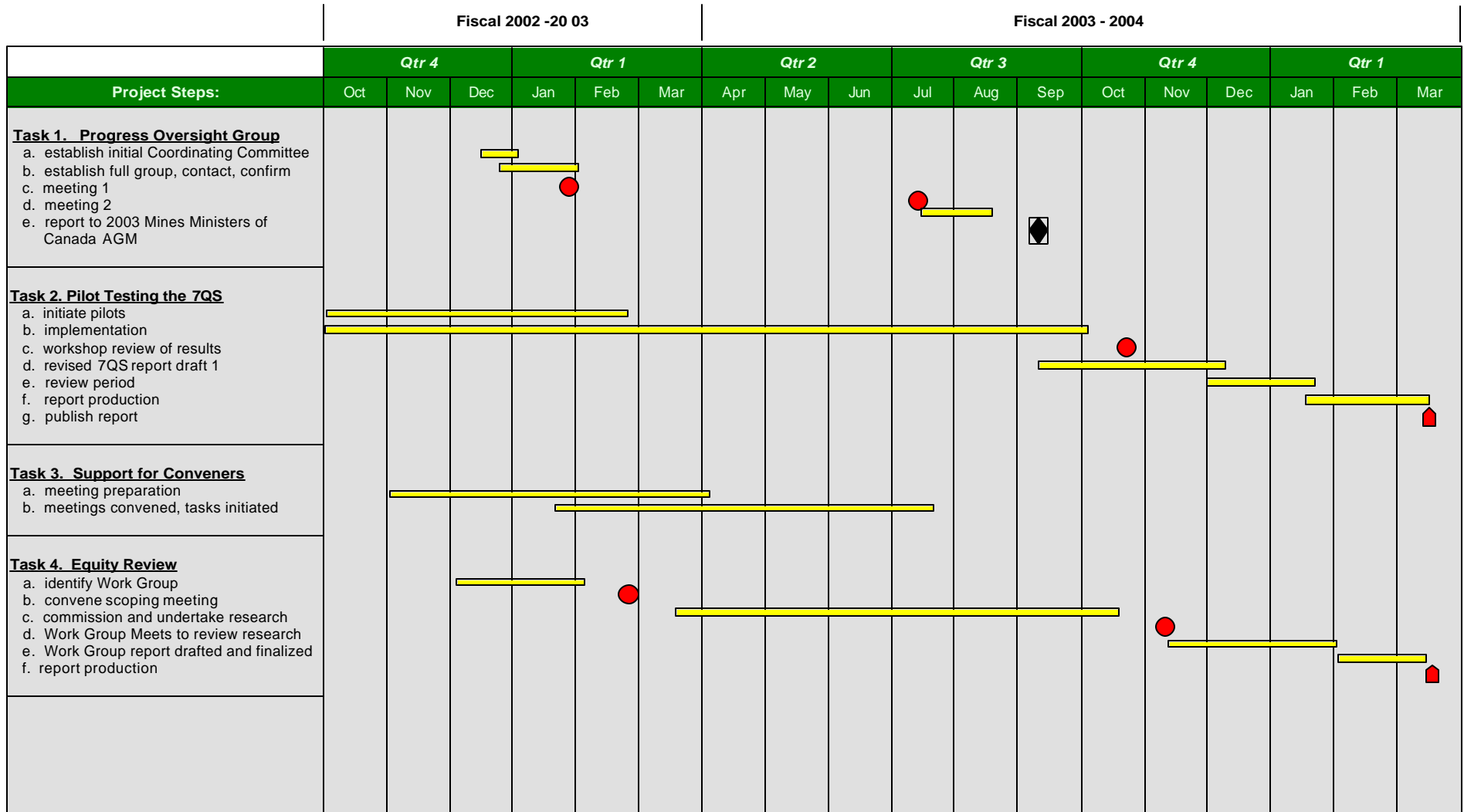
Specifically, broadly understood and respected approaches are needed for:

- identifying and monitoring the mining/minerals related distribution of costs, benefits and risks accruing to various communities of interest; and
- design of practical processes for ensuring that the distribution is fair and equitable.

IISD is well-suited to this task not only because of its role as facilitator of MMSD–North America but also because of its own mandate and the important role that the equity issue plays within that mandate.

Status: Beginning to develop list of potential Work Group Members. No further action yet.

Proposed Follow-up Timeline



Appendix 1. MMSD – North America Summary of Final Recommendations

<i>MMSD North America Recommendation</i>	<i>Follow-up Convenor</i>
1. Legacy Past: Increase effort to address the human and environmental legacy of past mining practices and to prevent the same from happening in the future	National Advisory Committee on Orphaned and Abandoned Mine (Manitoba ADM, chair).
2. Legacy Future: Strengthen the mix of rules, market incentives and voluntary programs to prevent the same from happening in the future	Department of Mining Engineering, University of British Columbia (Vancouver)
3. Pilot the Seven Questions framework. Initiate pilot tests of the Seven Questions framework to further its development.	International Institute for Sustainable Development (IISD) Winnipeg
4. Performance: Enhance capacity to reward good and discourage poor performance by the mining industry and others	Prospectors and Developers Association of Canada (PDAC, Toronto) with the Northwest Mining Association (NWMA, Denver)
5. Equity: Clarify how the costs, benefits, and risks associated with mining/minerals projects and operations are currently shared between companies, communities, and governments and how that sharing might be made more fair in the future;	International Institute for Sustainable Development (IISD) Winnipeg
6. Disputes: Design and implement mechanisms to prevent disputes in the first place and more effectively address them if they do occur	M.J. Wosk Centre for Dialogue, SFU (Vancouver)
7. Recycling: Improve the policy regime governing recycling to allow more recycling while protecting human health from hazardous material	New Directions Group (industry NGO collaborative)
8. Decision-Support: Re-design the decision-support model used by mining companies to better integrate environmental and social costs, benefits, and risks with more traditional economic factors	Faculty of Engineering, Laurentian University (Sudbury)
9. Learning/Research Support: Strengthen the mining-related learning and research support system	Society for Mining, Metallurgy, and Exploration (SME, Denver) and the Canadian Institute for Mining and Metallurgy (CIM, Montreal)
10. MMSD – North America Follow-up: Facilitate and Track MMSD North America follow-up.	International Institute for Sustainable Development (IISD) Winnipeg