Mining & Metals Industry Agenda Council
Interaction with Associate Councils: Climate Change

Since the last Global Agenda Council meeting in Dubai, the subsequent Annual Meeting in Davos and the regional Summits, the Mining and Metals Agenda Council has been very active in examining the issues facing the Mining and Metals Sector. Kernel to this process has been an intensive analysis as to how the sector interfaces with and impacts on other sectors, society and the environment. A highly structured Issues Analysis identification and ranking exercise was carried out not only within the sector, but with engagement with parties external to the sector and particularly with NGOs representing various elements of civil society concern and environmental interest groups.

The Council has taken the initiative to crystallise out the issues that have arisen during the process and to communicate these to the appropriate associate Agenda Councils for their consideration and comment. This council would like you to consider these issues and invites to engage with us in discussion in Dubai. We would welcome your input both on the matters we have raised and any additional issues that you may feel warrant discussion.

Issues for Consideration by the Climate Change Agenda Council

The Mining and Metals Sector has a major impact on climate change in two respects:

a) As a sector, the Metals component is probably the largest consumer of energy of all industry sectors with its energy requirements for smelting and refining activities; and

b) Fossil fuels provide for the bulk of power generation requirements and are mined.

In the context of your council, most credible mining and metal companies are extremely aware of the issues regarding the impact of the sector on climate change and have programmes to address these. Involvement of the sector and the various initiatives addressing climate change is already fairly intense.

The Mining and Metals Industry Council would like to engage with your council on the following issues:

- Your councils perception on the effectiveness of the efforts being made by the Mining and Metals Sector to address the sector’s impacts on Climate Change;

- Given that the sector effectively directly or indirectly underpins any form human consumption and lifestyle and that these industries cannot be wished away, what more can be done by companies and governments to mitigate impacts on Climate Change; and

- Your views on the effectiveness of industry-wide initiatives such as the COP meetings and other initiatives to mitigate the impact of this sector on Climate Change and on the other hand, how could those organisations working on Climate Change mitigation constructively engage with the sector in identifying migratory processes, practices and technologies; and finally

- The effectiveness of current policies and regulation or political will of governments to enforce standards that will minimize the negative environmental impacts of the sector.

Please comment what, in your opinion, any further measures that can be taken by the extractive industries, industry representative organisations or the governments of investing mining and metal companies to influence the behaviour of the sectors companies in countries where there is poor policy or insufficient institutional capacity to effectively enforce good policies.

We look forward to meeting you in Dubai and engaging with you on these issues.
Since the last Global Agenda Council meeting in Dubai, the subsequent Annual Meeting in Davos and the regional Summits, the Mining and Metals Agenda Council has been very active in examining the issues facing the Mining and Metals Sector. Kernel to this process has been an intensive analysis as to how the sector interfaces with and impacts on other sectors, society and the environment. A highly structured Issues Analysis identification and ranking exercise was carried out not only within the sector, but with engagement with parties’ external to the sector and particularly with NGOs representing various elements of civil society concern and environmental interest groups.

The Council has taken the initiative to crystallise out the issues that have arisen during the process and to communicate these to the appropriate associate Agenda Councils for their consideration and comment. This council would like you to consider these issues and invites to engage with us in discussion in Dubai. We would welcome your input both on the matters we have raised and any additional issues that you may feel warrant discussion.

**Issues for Consideration by the Ecosystems and Biodiversity Agenda Council**

In the context of your council, mining is widely regarded as a "dirty industry" and with substantial historical reason for this. However, with fourth-generation law reform in the extractive industries taking root, environmental, community and shareholder activism becoming increasingly aggressive, most credible mining companies are taking their environmental and social responsibilities more seriously than most other sectors. Interaction between mining companies and environmental organisations is critical in order to benchmark what is being done in the extractive industries sector (positive and negative) and for the real impacts and efforts of mining to be better understood by these organisations.

Ultimately, while mining has undeniable negative environmental and social impacts, its positive impacts need to be pragmatically embraced, enhanced and developed to offset these negative impacts. It has to be appreciated in this context that the greatest destroyer of environment is poverty, and while mining invariably has a detrimental local impact, if properly planned, the overall economic activity catalysed by mining alleviates the pressure of poverty on the environment. This is an understated concept and needs to be interrogated and examined.

The Mining and Metals Industry Council would like to engage with your council on the following issues:

- Your council’s perception on the effectiveness of the efforts being made by the mining and metals sector to address the concerns of civil society on the sector’s impacts on biodiversity and ecosystems;
- Given that the extractive industries effectively directly or indirectly underpin any form human consumption and that lifestyle and these industries cannot be wished away, what more can be done by companies and governments to mitigate the impacts of mining and smelting on ecosystems and biodiversity; and
- Your views on the effectiveness of industry-wide initiatives such as the Greenpeace, the World Wild Life Fund and other environmental initiatives to mitigate the impact of this sector on Ecosystems and Biodiversity and on the other hand, constructively engage with the sector in identifying migratory processes, practices and technologies; and
- The effectiveness of current policies and regulation in emerging economies or political will of governments to enforce standards that will minimize the negative environmental impacts of the sector.

Please comment what, in your opinion, any further measures that can be taken by the extractive industries, industry representative organisations or the governments of investing mining and metal companies to influence the behaviour of the sectors companies in countries where there is poor policy or insufficient institutional capacity to effectively enforce good policies.
Mining & Metals Industry Agenda Council
Interaction with Associate Councils: Energy Security

Since the last Global Agenda Council meeting in Dubai, the subsequent Annual Meeting in Davos and the regional Summits, the Mining and Metals Agenda Council has been very active in examining the issues facing the Mining and Metals Sector. Kernel to this process has been an intensive analysis as to how the sector interfaces with and impacts on other sectors, society and the environment. A highly structured Issues Analysis identification and ranking exercise was carried out not only within the sector, but with engagement with parties external to the sector and particularly with NGOs representing various elements of civil society concern and environmental interest groups.

The Council has taken the initiative to crystallise out the issues that have arisen during the process and to communicate these to the appropriate associate Agenda Councils for their consideration and comment. This council would like you to consider these issues and invites to engage with us in discussion in Dubai. We would welcome your input both on the matters we have raised and any additional issues that you may feel warrant discussion.

Issues for Consideration by the Energy Security Agenda Council

The Mining and Metals Sector has a major impact on Energy Security in two respects:

   a) As a sector, the Metals component is probably the largest consumer of energy of all industry sectors with its requirement for smelting and refining activities; and

   b) Fossil fuels provide for the bulk of power generation requirements and are mined.

In the context of your council, most credible mining and metal companies are extremely aware of the issues regarding the impact and dependence on the sector on Energy Security and have programmes to address these. Involvement of the sector and the various initiatives addressing Energy Security is already fairly intense.

The Mining and Metals Industry Council would like to engage with your council on the following issues:

   • Your councils perception on the effectiveness of the efforts being made by the Mining and Metals Sector to address the sector’s impact and influence on Energy Security ;

   • Given that the sector effectively directly or indirectly underpins any form human consumption and lifestyle and that these industries cannot be wished away, what more can be done by companies and governments to mitigate impacts on Energy Security; and

   • Your views on the effectiveness of industry-wide initiatives such as the COP meetings and other initiatives to mitigate the impact of this sector on Energy Security and on the other hand, how could those organisations working on Energy Security mitigation constructively engage with the sector in identifying migratory processes, practices and technologies; and finally

   • The effectiveness of current policies and regulation or political will of governments to enforce standards that will minimize the negative environmental impacts of the sector.

Please comment what, in your opinion, any further measures that can be taken by the extractive industries, industry representative organisations or the governments of investing mining and metal companies to influence the behaviour of the sectors companies in countries where there is poor policy or insufficient institutional capacity to effectively enforce good policies.

We look forward to meeting you in Dubai
Since the last Global Agenda Council meeting in Dubai and the subsequent Annual Meeting in Davos and the subsequent regional Summits, the Mining and Metals Agenda Council has been very active in examining the issues facing the Mining and Metals Sector. Kernel to this process has been an intensive analysis as to how the sector interfaces with and impacts on other sectors, society and the environment. A highly structured Issues Analysis identification and ranking exercise was carried out not only within the sector, but with engagement with parties external to the industry and particularly with NGOs representing various elements of civil society concern and environmental interest groups.

The Council has taken the initiative to crystallise out the issues that have arisen during the process and to communicate these to the appropriate associate Agenda Councils for their consideration and comment. This council would like you to consider these issues and invites to engage with us in discussion in Dubai. We would welcome your input both on the matters we have raised and any additional issues that you may feel warrant discussion.

**Issues for Consideration by the Africa Agenda Council**

The Mining and Metals Sector is an absolutely critical pioneering industry in the economic redevelopment of Africa. The African continent has the greatest economic multipliers of any industry. The planning and management of mining and beneficiation activity and its associated infrastructure in order to harness these multipliers are powerful. If this is properly done in resource-rich emerging economies in Africa, which it seldom is, mining has a significant role to play in Africa’s poverty alleviation and economic development.

By way of example, a very generic rule of thumb for employment multipliers in emerging economies is that for every mining job, there are 2.5 formal sector jobs in associated secondary and tertiary sectors with at least an equal number of jobs in the informal sectors. The dependency ratios of these workers is high: for every rural worker dependencies can exceed 10:1 and urban workers 5:1. Thus, for every mining job created, there are approximately 20-25 livelihoods created. In terms of economic development and poverty alleviation, these impacts are significant as are evidenced in responsibly-managed resource-rich countries.

The problem lies in the fact that on cessation of mining activity, unless the more sustainable secondary and tertiary sectors have been planned and nurtured and in themselves provide an enabling environment for other forms of more sustainable economic activity to take place, these multipliers are reversed, causing economic hardship and concomitant poverty amongst communities formerly benefiting from the mining activity.

Unless the economic multipliers associated with mining are planned for and appropriate policies adopted to ensure their development and sustainability, very often they are not sustainable. However, the responsibility for these policy and planning process lie with governments, which, in the emerging economies seldom have the expertise and institutional capacity to undertake these exercises. The mining companies on the other hand are often unable or unwilling to take on these responsibilities, and while they need to inform and cooperate in the processes, it should not be their function.

A further factor in this debate is the close correlation between the mining and metals sector industries and strength or weakness of political economic stability of African states. Minerals play a critical role in either stabilising or destabilising emerging economies and many fragile states are unstable because of the conflictual competition for extractive resources. Management of the extractive industries is critical in order to avoid civil conflict over competition for resources that often leads to high levels of violence or the onset of Dutch Disease (Resource Curse) and the destabilisation of political economies, hallmarks of fragile states.

In respect of the positive impact that the sector has on development in Africa, the Mining and Metals Agenda Council would like to solicit your opinion on:
How the mining and metals sector can effectively engage with other sectors in ensuring that mining activity is optimally leveraging its infrastructure and economic activity to provide an enabling environment for other forms of economic activity. This could include. In this way the sector could provide as commercial agriculture, tourism and services and in so doing provide for sustainable economic development in resource rich countries;

Given the lack of institutional capacity of host governments, which of the multilateral organisations, NGOs and development aid agencies are:

- best equipped and positioned to provide facilitation for these integrated planning processes to take place;
- provide the institutional capacity and expertise to governments to ensure that the planning iscompetently undertaken and that implementation capacity exists and is mobilised;
- use these and other processes to avoid the onset of Dutch Disease or Resource Curse; and

Other roles that the mining and metal sector can play in economic development and poverty alleviation.

In relation to the relationship between minerals and conflict in Africa, our Council would appreciate your comment on:

- The nature and extent to which mining plays a role in the development of fragility in resource-rich emerging states in Africa;
- The effectiveness of existing measures taken by individual companies to combat these impacts;
- The effectiveness of industry-wide initiatives such as the Extractive Industry Transparency Initiative and the World Economic Forum PACI initiative;
- The complicity of governments in accommodating rent-seeking activity on the part of their nationals on the one hand, and aiding and abetting of the results of known rent seeking proceeds such as the banking of these proceeds;
- Any further measures that can be taken by mining companies, mining representative bodies or the home governments of investing mining companies to prevent or mitigate the role that competition for resources may play in the development and sustenance of conflict and corruption within fragile states in Africa.

These issues are being addressed by the World Economic Forum’s Responsible Mineral Development Initiative (please see the enclosed 2 pager)

We would like you to consider these issues and any other issues you may wish to raise with and welcome your inputs on whatever concerns or comments that your Council may wish to feed in to our process.

We look forward to our engagement at the meetings in Dubai.
Since the last Global Agenda Council meeting in Dubai, the subsequent Annual Meeting in Davos and the regional Summits, the Mining and Metals Agenda Council has been very active in examining the issues facing the Mining and Metals Sector. Kernel to this process has been an intensive analysis as to how the sector interfaces with and impacts on other sectors, society and the environment. A highly structured Issues Analysis identification and ranking exercise was carried out not only within the sector, but with engagement with parties external to the sector and particularly with NGOs representing various elements of civil society concern and environmental interest groups.

The Council has taken the initiative to crystallise out the issues that have arisen during the process and to communicate these to the appropriate associate Agenda Councils for their consideration and comment. This council would like you to consider these issues and invites to engage with us in discussion in Dubai. We would welcome your input both on the matters we have raised and any additional issues that you may feel warrant discussion.

Issues for Consideration by the Latin America Agenda Council

The Mining and Metals Sector is a major factor in the economic development of Latin America. The sector probably has the greatest economic multipliers of any industry. The planning and management of mining and beneficiation activity and its associated infrastructure in order to harness these multipliers are powerful where it is properly done in the rich emerging economies in Latin America. The sector can have a significant role to play in Latin America’s poverty alleviation and economic development.

Unless the economic multipliers associated with mining are planned for and appropriate policies adopted to ensure their development and sustainability, very often they are not sustainable.

A further factor in this debate is the close correlation between the mining and metals sector industries and strength or weakness of political economic stability of Latin American states. Minerals can play a critical role in either stabilising or destabilising emerging economies and many fragile states are unstable because of the competition for extractive resources. Management of the extractive industries is critical in order to avoid civil conflict over competition for resources that often leads to high levels of violence or the onset of Dutch Disease (Resource Curse) and the destabilisation of political economies, hallmarks of fragile states.

In respect of the positive impact that the sector has on development in Latin America, the Mining and Metals Agenda Council would like to solicit your opinion on:

- To what extent do Latin American countries have the expertise and institutional capacity to effectively harness the economic multipliers of the Mining and Metals Sector;
- how important is the sector seen in the context of economic development in Latin America;
- how the mining and metals sector can effectively engage with other sectors in Latin America ensuring that mining activity is optimally leveraging its infrastructure and economic activity to provide an enabling environment for other forms of economic activity such as commercial agriculture, tourism and services and in so doing provide for sustainable economic development in resource rich countries;
- In promoting and managing the sector in Latin America, which of the multilateral organisations, NGOs and development aid agencies are best positioned to cooperate with the Sector in maximising its economic impact;
- Is Dutch Disease or Resource Curse a factor in Latin America; and
- What other roles that the mining and metal sector can play in economic development and poverty alleviation.
In relation to the possible relationship between minerals and civil conflict, is this an issue in Latin America? If so, our Council would appreciate your comment on:

- The nature and extent to which mining plays a role in the development of fragility in resource rich emerging states in Latin America;
- The effectiveness of exiting measures taken by individual companies to combat these impacts;
- The effectiveness of industry-wide initiatives such as the Extractive Industry Transparency Initiative and the World Economic Forum PACI initiative;
- The complicity of governments in accommodating rent seeking activity on the part of their nationals on the one hand, and aiding and abetting of the results of known rent seeking proceeds such as the banking of these proceeds;
- Any further measures that can be taken by mining companies, mining representative bodies or the governments of investing mining companies to prevent or mitigate the role that competition for resources may play in the development and sustenance of fragile states.

These issues are being addressed by the World Economic Forum's Responsible Mineral Development Initiative (please see the enclosed 2 pager)

We would like you to consider these issues and any other issues you may wish to raise with and welcome your inputs on whatever concerns or comments that your Council may wish to feed in to our process.

We look forward to our engagement at the meetings in Dubai.
Mining & Metals Industry Agenda Council
Interaction with Associate Councils: Fragile States, Conflict Prevention, Illicit Trade and Anti-Corruption

Since the last Global Agenda Council meeting in Dubai, the subsequent Annual Meeting in Davos and the regional Summits, the Mining and Metals Agenda Council has been very active in examining the issues facing the Mining and Metals Sector. Kernel to this process has been an intensive analysis as to how the sector interfaces with and impacts on other sectors, society and the environment. A highly structured Issues Analysis identification and ranking exercise was carried out not only within the sector, but with engagement with parties external to the sector and particularly with NGOs representing various elements of civil society concern and environmental interest groups.

The Council has taken the initiative to crystallise out the issues that have arisen during the process and to communicate these to the appropriate associate Agenda Councils for their consideration and comment. This council would like you to consider these issues and invites to engage with us in discussion in Dubai. We would welcome your input both on the matters we have raised and any additional issues that you may feel warrant discussion.

**Issues for Consideration by these Councils**

Minerals play a critical role in either stabilising or destabilising emerging economies and many fragile states are unstable because of the conflictual competition for extractive resources. Responsible management of the extractive industries is critical in order to avoid Dutch Disease (Resource Curse), corruption associated with valuable minerals or concessionary grants, conflict and civil disturbance associated with control of high-value minerals and the concomitant destabilisation of political economies, a hallmark of fragile states.

The Mining and Metals Agenda Council would like to solicit your opinion on:

- The nature and extent to which mining plays a role in the development of fragility in resource-rich emerging states;
- The effectiveness of existing measures taken by individual companies to combat these impacts;
- The effectiveness of industry-wide initiatives such as the Extractive Industry Transparency Initiative and the World Economic Forum PACI initiative;
- The complicity of governments in accommodating rent-seeking activity on the part of their nationals on the one hand, and aiding and abetting of the results of known rent seeking proceeds such as the banking of these proceeds on the other;
- Any further measures that can be taken by mining companies, mining representative bodies or the home governments of investing mining companies to prevent or mitigate the role that competition for resources may play in the development and sustenance conflict and corruption within fragile states.

These issues are being addressed by the World Economic Forum’s Responsible Mineral Development Initiative (please see the enclosed 2 pager)

We would like you to consider these issues and any other issues you may wish to raise with and welcome your inputs on whatever concerns or comments that your Council may wish to feed in to our process.
Mining & Metals Industry Agenda Council
Interaction with Associate Councils: Poverty and Economic Development

Since the last Global Agenda Council meeting in Dubai, the subsequent Annual Meeting in Davos and the regional Summits, the Mining and Metals Agenda Council has been very active in examining the issues facing the Mining and Metals Sector. Kernel to this process has been an intensive analysis as to how the sector interfaces with and impacts on other sectors, society and the environment. A highly structured Issues Analysis identification and ranking exercise was carried out not only within the sector, but with engagement with parties external to the sector and particularly with NGOs representing various elements of civil society concern and environmental interest groups.

The Council has taken the initiative to crystallise out the issues that have arisen during the process and to communicate these to the appropriate associate Agenda Councils for their consideration and comment. This council would like you to consider these issues and invites to engage with us in discussion in Dubai. We would welcome your input both on the matters we have raised and any additional issues that you may feel warrant discussion.

**Issues for Consideration by the Poverty and Economic Development Councils**

Mining probably has the greatest economic multipliers of any primary industry. The planning and management of mining activity and its associated infrastructure in order to harness these multipliers is, however, absolutely critical. If this is properly done in resource rich emerging economies, which it seldom is, mining has a significant role to play in poverty alleviation and economic development.

A very generic rule of thumb for employment multipliers in emerging economies is that for every mining job, there are 2.5 formal sector jobs in associated secondary and tertiary sectors with at least an equal number of jobs in the informal sectors. The dependency ratios of these workers is high: for every rural worker dependencies can exceed 10:1 and urban workers 5:1. Thus, for every mining job created, there are approximately 20-25 livelihoods created. In terms of economic development and poverty alleviation, these impacts are significant as are evidenced in responsibly-managed resource-rich countries.

The problem lies in the fact that on cessation of mining activity, unless the more sustainable secondary and tertiary sectors have been planned and nurtured and in themselves provide an enabling environment for other forms of more sustainable economic activity to take place, these multipliers are reversed, causing economic hardship and concomitant poverty amongst communities formerly benefiting from the mining activity.

Unless the economic multipliers associated with mining are planned for and appropriate policies adopted to ensure their development and sustainability, very often they are not sustainable. However, the responsibility for these policy and planning process lie with governments, which in the emerging economies seldom have the expertise and institutional capacity to undertake these exercises. The mining companies on the other hand are often unable or unwilling to take on these responsibilities, and while they need to inform and cooperate in the processes, it should not be their function.

The Mining and Metals Industry Council would like to engage your council on a discussion regarding:

- How the mining and metals sector can effectively engage with other sectors in ensuring that mining activity is optimally leveraging its infrastructure and economic activity to provide an enabling environment for other forms of economic activity. This could include industries such as commercial agriculture, tourism and services. In this way the sector could provide for sustainable economic development in resource-rich countries in the wake of mining activity;

- Given the lack of institutional capacity of host governments, which of the multilateral organisations, NGOs and development aid agencies are:
o best equipped and positioned to provide facilitation for these integrated planning processes to take place;

o provide the institutional capacity and expertise to governments to ensure that the planning is competently undertaken and that implementation capacity exists and is mobilised;

o use these and other processes to avoid the onset of Dutch Disease or Resource Curse; and

• other roles that the mining and metal sector can play in economic development and poverty alleviation.

These issues are being addressed by the World Economic Forum’s Responsible Mineral Development Initiative (please see the enclosed 2 pager)

We would like you to consider these issues and any other issues you may wish to raise with and welcome your inputs on whatever concerns or comments that your Council may wish to feed in to our process.

We look forward to our engagement at the meetings in Dubai.