

## **Global Mining Initiative: Mining, Minerals and Sustainable Development**

**Report on the Governors Meeting for the Mining and Metals Industry  
31 January – 1 February 2000  
Davos, Switzerland**

**Sir Robert Wilson's paper which reflects on the rationale behind the Global Mining Initiative and the processes involved in this undertaking.**

The Governors Meetings in 1999 and 2000 in Davos have an honourable place in the emergence of the Global Mining Initiative (GMI) project which is aimed at helping the mining and minerals industry and a wider public to understand the role that mining and minerals can play in making the transition to sustainable patterns of economic development.

The declared aim of the GMI is to ensure that an industry that is essential to the well-being of a changing world is responsive to global needs and challenges. Its origins lie in a series of discussions among the Chairmen and CEOs of a small group of leading mining and minerals companies about the range of challenges and opportunities which would shape the future vitality of the industry. Although this process started quite informally, the backdrop of the January 1999 Governors Meeting, including the launching by the Secretary-General of the United Nations, Kofi Annan, of his Global Compact, helped to shape the debate.

More recently, the focus has been on spreading understanding of the initiative more widely, both within the industry and beyond, and on widening participation by mining and minerals companies in the central analytical piece of the initiative, the Mining, Minerals and Sustainable Development (MMSD) project. The Annual Meeting 2000 helped this along to the point where 27 of the world's largest mining and minerals companies are now participating.

### Rationale for the Global Mining Initiative

Despite the industry's efforts, mining has fallen into increasing public disfavour. Many accept it grudgingly as a necessary evil. Others take as read the assertion that the industry is incompatible with sustainable development. There is a gap, which sometimes seems like a gulf, between the industry's self-perception and how others see

it. Society's standards and priorities have shifted. Industry's behaviour must not only shift in line but must where possible try to anticipate future shifts.

The current set of perceptions, if left unchecked, will have a direct effect on the fortunes of the industry. Moreover, they will drive legislation and distort markets in ways that will ultimately harm developing economies, and produce unintended environmental and social consequences.

### Sustainable development

While this most indigestible of terms provokes much definitional debate, there is growing clarity about what it means and about the implications of co-operation between various actors concerned about global environmental and social problems for the future direction of international economic development.

At the heart of the term "sustainable development" is a threefold understanding: firstly that economic activity should be considered together with its social and environmental consequences; secondly, that in using resources we have to have regard for the needs and expectations of future generations; and thirdly that government, business and other segments of civil society should act together if they are to act effectively.

Unless the global mining and minerals industry can present a convincing case that its activities are conducted in line with these principles then its long-term future is in jeopardy. It has to be able to explain its role to this and future generations that take sustainable development as a given.

### Listening, learning and engaging

The industry's traditional response to external criticism has been defensive, arguing that much of it is ill-founded and that most of those who oppose mining are dependent upon its products for their standard of living. Companies and the industry associations they fund have poured resources into educational programmes and public relations campaigns. All to little or no avail. The industry's reputation has continued to deteriorate, regulatory standards have continued to tighten in response to community pressures and access to development opportunities has been shrinking.

The GMI leadership group recognised that it is time now for the industry to find a new way of responding to public concerns – getting away from the past concentration on preaching to the converted, which always seems easier than engaging with those who are hostile and suspicious. There will always be some in any community who argue that

they can do without the mining industry. But the majority knows that it has a necessary role in sustaining economic development. They just want it done in a less damaging way.

To change the climate of antagonism means being much more willing to engage constructively with critics and to listen more carefully to what they have to say. And whilst the industry should never be afraid to identify where concerns are misplaced, it also needs to respond more positively when there is a case to be considered.

### The Global Mining Initiative: The Process

All this led the leadership group of Chairmen and CEOs to support the Global Mining Initiative. The GMI is probably unique in that global mining and minerals companies which normally compete vigorously with each other, will collaborate in a strategic exercise whose outcome is uncertain. Indeed, one NGO contact has – hopefully without intending to imply any form of improper behaviour – called the GMI “an ethical cartel”.

It is unique too in that companies that normally seek to control outcomes closely are voluntarily opening their operations and methods to the candid assessment of people who have, in the past, been critical of the industry. But trust cannot be bought — it has to be earned.

The initiative will include a number of activities leading up to a global conference on mining, minerals and sustainable development in Toronto in May 2002. This conference will be a significant contribution to the activities that will mark the tenth anniversary of the Rio Earth summit.

A central activity within the GMI is the Mining Minerals and Sustainable Development (MMSD) project which seeks to get an independent, arms length analysis of the issues that will determine the future of the industry. To that end, the World Business Council for Sustainable Development (WBCSD) has been commissioned to involve a wide range of sponsors in the analytical process. The analysis, to be completed by the end of 2001, will span the three main aspects of sustainable development — the economic, the environmental and the social.

So far, the 27 confirmed mining and minerals company sponsors of this project have pledged to cover the core-funding element of US\$ 3 million. Apart from them, it is hoped that governments, non-government organisations, international bodies and other business sectors will want to be involved in this work. In keeping with the goal of making the analysis as broadly based as possible, the intention is to enlist a substantial group of

sponsors from outside the industry.

The structure of the project will include three groups: the Sponsoring Group, Work Group and Assurance Group. The Sponsoring Group will include the mining industry participants. The Work Group will be independent specialist of standing and integrity: ultimately, success will depend greatly on the quality of their efforts. This Group will need to have a strong regional focus, engaging with interested parties in many parts of the world and also drawing on the knowledge of the many industry representative groups in the mining sector. The Assurance Group of independent, internationally recognised experts who will provide high-level peer review of the work agenda and findings.

Of course, the hope is that a thorough scrutiny of the industry will confirm the vital importance of mining and its products to society – and that the process will win friends and better trust and mutual understanding with critics. But, realistically, that will only happen if the industry accepts the inevitable criticisms of its past and present performance fairly and squarely and is prepared to act on them.

## Conclusion

For the industry, and indeed for other participants, this is an ambitious and even risky undertaking. If it succeeds, it can help a major industry improve the contribution it makes to one of the central challenges the world faces. It can help clarify mutual expectations between industry, governments, international organizations and civil society groups as they seek to work together in addressing issues which exceed the capacity of any one of them. Beyond this, it will try to clarify where the boundaries lie for action by different actors, and address the dilemma of what to do when positive objectives come into conflict with each other.

As such, the GMI might help to map out the route towards concerted action by other industry sectors as a way of boosting co-operation with others in society in addressing the complex challenges of sustainable development. The World Economic Forum will continue to have an important part to play in shaping this ambitious agenda.

Sir Robert Wilson

