



**Non-Ferrous Metals  
Consultative Forum on  
Sustainable Development**

## PRODUCTION WORKING GROUP

### Progress Report of the Production Working Group

Presentation

WP/NFMSD/Nov2001/PRWG2

Porto, 12 – 13 November 2001





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## Non-Ferrous Metals Consultative Forum on Sustainable Development

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## Working Group on Non-Ferrous Metals Production

*Porto 12 November 2001*



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## Progress Report to Consultative Forum

- Review composition of WG
- Describe WG programme & activities
- Focus areas
  - Drivers for SD in Metals/Minerals production
  - Community Engagement practices
- Issues
- Plan for completing current activities

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## Working Group Composition

- Participants from Governments, Industry Associations, Companies, NGOs and Int'l Org
  - Reasonable coverage of geographies and interests
  - Gaps identified in geographical coverage (Asia & FSU)
  - Strength in NGO participation

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## Work Programme

- Co-chairs and secretariat meeting by teleconference to develop programme for WG
- WG session April 18<sup>th</sup> & 19<sup>th</sup> 2001
- Teleconferences September 2001
- Website to compile data gathering

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## Activities

- April Meeting was key event
  - Reviewed areas of interest based on September 2000 output
  - Four Key areas emerged
    - Policies designed to promote SD in the production of non-ferrous metals
    - Community engagement initiatives
    - Education & communication initiatives of SD in minerals
    - Economics of SD and minerals

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## Samples of Issues Identified at Workshop

- The reasons for undertaking SD initiatives are not clear
- Some initiatives are a response to “perverse subsidies or regulations”
- Misalignment of policies between national and local needs
- Image of metal production is negative despite significant recycling
- Desire to increase investment in metals production by “Green Funds” – Dow Jones Sustainability Index
- Inter-generational conflicts
- Self regulation passing the buck to the general public

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## Key Issue

- What are the characteristics of successful SD initiatives in metals/minerals production?
  - Objectives/time frames
  - Planning/processes
  - Participants
  - Monitoring/measurement

**Action:** Look at what is being/has been undertaken

- Analyse the drivers
- Focus on Community Engagement

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## Inventory of SD Initiatives in Metals/Minerals Prod'n

- Data Gathering
  - Template designed to enable analysis in terms of:
    - Drivers
    - Effectiveness
    - Parties involved (especially initiators)
    - Scope
  - Members contributed basic set of data
    - Entries posted on website (members area)
    - 59 Entries

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## Analysis of SD Initiatives in Metals/Minerals Prod'n

- Objectives
  - Focus heavily on “Green environment”
  - Majority procedural rather than quantifiable
- Triggers/timeframe
  - Event driven (i.e. largely reactive)
- Initiators/participants
  - Majority Government driven (70%)
  - Associations initiate regional programmes
  - Companies work only at local/site level (with some umbrella activities – e.g. trusts)

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## SD Initiatives in Metals/Minerals Prod'n

- Indicators
  - Emerging & complex subject
    - Mixture of quantitative & qualitative measures
  - Many are two dimensional
    - e.g. Eco-efficiency
  - Corporate Social Responsibility reports
    - In its infancy
  - Assessing the “future needs”?

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## A Representation of SD Initiatives

Schematic Representation of Development Styles

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## Drivers for SD Initiatives in Metals/Minerals Prod'n

- Broad categorisation based on sphere of influence
  - Global (and National)
    - Globalisation, "voice of society", voluntary codes, regulation, special interest groups, NGO's, financing conditions, supply chain pressures, peer pressure, internal pressure and environmental change
  - Project/site specific
    - Stakeholder expectation, local community needs, NGO's, corporate policy/practice, local technical innovation, local reputation management and Gov't development plans

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## MERN Model of CSR based on SD Drivers

Source: MERN, Prof Alyson Warhurst and colleagues, 2001

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## Issues from SD Driver Analysis

- Governments leading development of initiatives, but .....
- Industry initiatives possibly under-publicised
- Few examples of true "triple bottom line" practices identified
- Criteria to measure success of initiatives starting to emerge
- Reporting systems starting to be adopted
- Governments are not monolithic - divergent views between departments

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## Themes of interest in community engagement

1. Access to information
2. Opportunities for involvement by various stakeholders
3. Assessing community support and concerns
4. Addressing cultural differences
5. Financial initiatives for sustainable community
6. The impact of direct corporate contributions/philanthropy to communities
7. Means for evaluating the effectiveness of community engagement programs

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## Community Engagement Initiatives

- 28 contributions by 12 working group members from industry, government and NGOs,
- several dozen individual projects or initiatives
- No attempt made to critically review, verify or edit submissions for content or analysis

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## Community Engagement Inventory Examples

- operational monitoring programs
- community resettlement initiatives
- closure plan development committees
- community health programs
- regional development trusts
- indigenous partnership programs
- minerals and sustainable development consultations

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## Community Engagement Inventory Results

- diverse examples of involvement of a wide range of stakeholders in various regulatory, and non-regulatory circumstances at local, regional, national level in the North and South
- interest in looking more deeply into the cultural, historical and institutional factors affecting different programs to make further conclusions and recommendations about best practices

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## Conclusions and Next Steps

- the inventory was a useful preliminary initiative which should continue to be expanded, and
- that there are examples of successes and failures that warrant further, more in-depth study.

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## Next Steps Identified

- SD Driver Analysis
  - Developing criteria for evaluating effectiveness of Sustainable Development initiatives
- Community Engagement
  - Evaluating successful mechanisms for involving the stakeholders in the decision making process
- Reference Centre
  - Satisfying the requirement for a clearing house
- Role of Governments
  - Broaden participation to develop the strength of the Forum

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