

# MMSD – reflections on gaps remaining

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*“In the places where the copper arrives,  
As utensil or wire,  
No one who touches it will see the steep solitary places of Chile  
Or the small houses on the margin of the desert  
Or the proud prospectors –  
My people, the miners who go down to the mine”*

– Pablo Neruda, *Ode to Copper*

We have reached the twentieth anniversary of the Global Mining Initiative and the Mining Minerals and Sustainable Development Project (MMSD), of which I served as Director. This was the largest and most focused effort ever undertaken to diagnose the problems of the world mining industry, and improve its environmental, social and economic performance.

At the distance of two decades, there should be an opportunity for reflection on what this effort achieved, and where it fell short. This discussion has been started on an excellent note by the Responsible Mining Foundation’s commendable recent report, [Closing the Gaps](#), which has inspired this article. The reflection, analysis and discussion should not end here. There is much to be gained from revisiting the recommendations portion of the MMSD final report ([Breaking New Ground](#)) as well as considering the opportunities identified by RMF in *Closing the Gaps*.

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Minerals are one of the very limited number of basic platforms on which human societies are built. Together with water, air, sunlight, and biological materials from plants and animals, they are the foundation on which all economic activity is based. Learning how to identify new kinds of minerals, to extract them from ever more complex ores, and to fabricate them into new kinds of useful products has driven much of our technological development.

The historical minerals system was a lever that some used to widen social inequalities to their own benefit. It has for example been a major driver of the ongoing dispossession of indigenous and tribal peoples. Columbus was clearly after gold. Mining was one of the pillars of colonialism, and of the continuing unequal relationships between the producers and consumers of mineral products. From ancient times when mines were often worked by slaves, labour conditions in the industry have sometimes been appalling, and labour management relationships even in modern times have been conflictive and sometimes violent. Some got their hands on the minerals, and others were injured in the process.

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I believe that the origins of the MMSD Project were in the growing empowerment of some of those who suffered disadvantage in these unequal relationships.

Former colonies became independent. They were not convinced that they were benefited by minerals development conducted by what in many cases were the very companies that mined their minerals in colonial times. Some countries nationalised their mining industries and formed state enterprises. Not just communist countries, but Chile, Peru, Zambia and others seized mining assets. Even where they did not take ownership of mining properties, governments sought terms more favourable to the host state. These trends were often pejoratively labelled as “resource nationalism.”

Communities, often in rural areas of developing countries felt aggrieved by the adverse impacts of mineral development, and their perception that they were receiving few if any development benefits from the extraction of the riches under their feet. In a number of cases, their grievances reached the boiling point. The most violent conflict in the Pacific since the Second World War erupted on the island of Bougainville, forcing cessation of mining operations. And this was hardly the only example of minerals in the ground that simply could not be mined because of local opposition. From Tampakan in the Philippines to Mount Emmons in Colorado, mining was simply stopped by public resistance. And communities now had allies in the growing civil society networks worldwide and the means to communicate their concerns widely and quickly over the internet.

The rise of the world environmental movement created more complications for miners. Mining moves more material than any other human activity, with the possible exception of soil erosion from agriculture. The impacts of mining – especially the way mining was conducted in the past – included appropriation of vast amounts of water, long-term water pollution, undermining traditional economies, contamination of air, and devastation of biological diversity. The modern environmental movement grew in power, did not like mining, and showed that it, too, had the capacity to stop mineral development.

These factors, alone or in combination, were enough to stop many potential mining projects. Even where they did not put a complete halt, they slowed project development enormously, imposing staggering costs on mine developers. Traditional ways of trying to solve such problems, such as sending in the army, were no longer working. Mining investors were becoming skittish.

Major companies tended to be managed from London, Beijing, Toronto, Moscow or Melbourne, but they have important operations that are often in poor regions of low-income countries. Corporate executives in London and village elders in Papua New Guinea can have profound impacts on one other, but rarely have any effective way of communicating with or understanding each other. The picture therefore was one of conflict, lack of understanding, and failure of communication.

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At the time, mining executives would trade stories of their woes. A senior executive in his company found that his children were lying to their school classmates about what he did for a living. It was too embarrassing to be the children of a miner. Someone else had a recent poll showing that North Americans held mining executives in lower esteem than tobacco executives. All had stories of project failure or delay. The news was dreadful from their perspective, when a thoughtful group of industry people resolved to try to do something to turn things in a more positive direction. But what?

The answer to that question emerged from a conversation with Richard Sandbrook, who had been a lieutenant of the great British economist and environmentalist Barbara Ward during her tenure at the Brundtland Commission. He was also one of her successors as Director of the International Institute for Environment and Development, which she founded.

A fundamental principle of the process that Sandbrook suggested to these industry leaders was that *there was nothing the industry could do by itself that was going to solve these problems*. The only way forward was an approach emphasising cooperation between industry and other stakeholders, which meant sharing power with them.

And there was a crying need for serious research. As the project unfolded, it was remarkable to discover the extent to which the industry was willing to hazard vast amounts of capital where the fundamental risks were not understood, and where there was little willingness to use the best professional and scientific approaches to develop reliable information.

There was far too much talk of “flying under the radar,” vainly hoping that no one would notice what a company was doing. There was the “open window test:” if local employees drove through the village with the windows closed because people were throwing things at them, this indicated a problem.

An industry with a history of important scientific advances, technical prowess, and a willingness to spend a great deal of money on improving, for example, metallurgical processes, was not using accepted social science to find out answers to questions such as “what do the people in the nearby villages think of us?” or “why do they feel what way?” Or “are people in our project area really economically better off than before we appeared?”

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The MMSD Project was designed to be independent, and to base its conclusions on serious research. It was largely funded by industry contributions made through the World Business Council for Sustainable Development, with a substantial contribution from the Rockefeller Foundation.

MMSD’s product was reviewed and ultimately approved by its *de facto* governing body, a multi stakeholder Assurance Group, drawn from many countries, disciplines and backgrounds.

MMSD produced something close to a hundred topical reports on everything from the impact of the industry on public health to artisanal mining in Burkina Faso. Some of these are excellent, and they are all still available on the IIED website. It produced regional reports based on multistakeholder processes in North America, Latin America, southern Africa, and Australia.

And MMSD produced the overall project report *Breaking New Ground*. As was intended from the outset, at the end of the MMSD Project the industry formed a new global organisation, the International Council on Mining and Metals, to speak for it on issues of sustainable development. And ICMM was tasked with taking forward the recommendations of Chapter 16 of *Breaking New Ground* and trying to realise them.

All this did have a real impact on the industry, as documented in Daniel Franks’ [book](#) *Mountain Movers: Mining, Sustainability and the Agents of Change*. But many of the MMSD recommendations are still to be realised.

The ESG performance of big mining companies is extremely important. But for the sector to maximise its contribution to sustainable development, many other actors need to be effective in performing their roles in the minerals sector. RMF's *Closing the Gaps* report usefully reflects on the inherent tensions and challenges faced by the key actors involved.

Foremost among those with influence on the sector are governments. In a number of cases, these governments are highly dependent upon mineral revenues to support development efforts. But they may in poor countries have very limited capacity to deal with the complex issues of managing the industry.

The interests of these governments may or may not coincide with the interests of communities in regions where mining is important. There is a history of tension between national governments and mining communities over a variety of issues, perhaps most prominently the question of what part of the revenues is spent locally, and what part goes into national coffers.

Other important players are the many and varied NGOs that play roles from supporting local development efforts to being watchdogs of environmental performance.

Finally, there is a long list of international standards and certification systems that promulgate standards and assess or validate compliance with them.

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The MMSD Project was not without its weaknesses and challenges, as outlined in the Global Public Policy Institute's 2005 [report](#), *Architecture for Change: An Account of the Mining Minerals and Sustainable Development Project*, and in IIED's 10-year retrospective [report](#).

One weakness was the limited way in which MMSD was able to take account of the extremely important shift in geopolitical power. There was a time fifty years ago when the "North Atlantic Club" in Europe and North America made and enforced rules for the global economy. That era is over. MMSD attempted to reach out to governments and companies in China, India, Brazil, and Russia. We developed some interesting anecdotes, but none of it was enough. As RMF's *Closing the Gaps* rightly points out, this divide is still a fundamental issue in improving sector performance.

One of the most serious of all our weaknesses was the promise made at the outset that after the 2002 Earth Summit, the MMSD Project would disband, and IIED would "go out of the mining business." The biggest reason why this promise was made was the reluctance of many industry leaders to create a permanent independent source of research and analysis. They could rationalise supporting it for two or three years, and accepted that necessity, but felt more comfortable knowing it would go out of existence.

We recommended the creation and support of robust and independent centres of excellence in research. That recommendation has largely not been acted upon. It is very helpful to the future of these vital industries that there be institutions capable of communicating with the industry's multiple stakeholders, but not under control of any of them.

There are some fine centres of research, but the financial support for them is disturbingly low, given the scale of the interests at stake, and the industry really should step up and support them, for the good of the sector. We at SDSG see the closure of RMF, due to a lack of long-term independent funding, as another example of failure of the sector to find ways to support valuable and needed organisations.

In spite of its shortcomings, I believe MMSD accomplished a good deal. There is a great deal to say about the current status on the many recommended actions that came out of the MMSD Project. But the key issues that have limited progress are two.

One is the lack of industry support for rigorous research into the environmental and social and economic issues that its operations present. MMSD was a powerful voice, and a venue for better communication among stakeholders, and we would have been better off if something had replaced it when it disappeared.

The other is that while there are some exceptions, industry has generally been unwilling to support (or participate in) bodies that it does not directly or indirectly control. More independent institutions, like RMF, are needed. Such organisations have the potential to create great value for the sector, which is today largely not being captured.