

**Mining Certification Evaluation Project (MCEP)**  
**Working Group Meeting 9**

**Monday 30 August 2004: 10am-4pm**  
**BHP-Billiton**

**Participants:**

Andrew Minns, Newmont  
Andrew Rouse, WWF  
Francis Grey, Sustainable Asset Management  
Ian Wood, BHP Billiton  
Kristina Ringwood, Rio Tinto  
Leah Horowitz, WWF  
Malcolm Forbes, Environment Australia  
Margaret Donaldson, Office of the Aboriginal and Torres Strait Islander Social Justice  
Commissioner  
Martin Webb, WMC Resources  
Melanie Stutsel, Minerals Council of Australia  
Michael Rae, WWF  
Nick Chipman, PricewaterhouseCoopers  
Nick Currey, Placer Dome Asia Pacific  
Peter Colley, Construction Forestry Mining and Energy Union

**Guests:**

Durham Davis, WMC Resources  
Fiona Solomon, CSIRO  
Hugh Wyndham, Golder Associates  
Kurt Hammerschmid, Integrated Environmental Systems  
Peter Southern, ERM

**Facilitator:**

Tim Offor, Offor Sharp

**Apologies:**

James Ensor, Oxfam Community Aid Abroad  
Martha Macintyre, University of Melbourne

**Summary of main points of discussion**

**1. Presentation of results from the Cannington field trial**

- (a) Peter Southern and Leah Horowitz discussed findings from the first MCEP field trial, at Cannington (BHP-Billiton's site).
- (b) Feedback from interviewees at Cannington indicated that the site was subject to numerous audits during the year. Additionally, there was a good deal of overlap with other certification programs such as ISO14001, SA8000 and AS4801.

- (c) On the other hand, the MCEP field trial differed from other audits in certain ways. It addressed a range of issues – environmental, health & safety, labour relations, community relations. It also contained a strong emphasis on stakeholder engagement, and focused to a certain degree (which could be further developed) on outcomes, not solely systems.
- (d) If certification as proposed were to require an additional audit with much the same questions covered in ISO14001 and SA8000 audits, it could be viewed as burdensome and unnecessary. If, however, it could encompass both ISO and SA certification and thus consolidate both audits, it would be welcomed.
- (e) This could be achieved either if the site could achieve certification under all three schemes with a single audit, or if the certification process proposed could accept ISO or SA accreditation as evidence that the site had already adequately addressed a number of issues.
- (f) One difficulty during the trial lay in accessing a representative cross-section of the community. Another was the time constraints, which did not allow the team members to cover the protocol questions as thoroughly as they would have liked; they felt that instead of nine person-days, fifteen would have been necessary.
- (g) A message had been sent to the Working Group on 11 July, with the draft protocol as an attachment, explaining that the protocol would be designed, for the purposes of the first two field trials, to collect information rather than to score results. This would allow for the compilation of data on what mine sites were capable of achieving, which would facilitate the development of standards and a scoring system.
- (h) However, at the close-out meeting, team members gave feedback to the site which consisted of their professional evaluations of the site's performance.
- (i) The trial highlighted the need for changes to the protocol, which were subsequently incorporated.

## **2. Presentation of results from the Stawell field trial.**

- (a) Peter Southern and Leah Horowitz next discussed findings from the Stawell field trial (MPI's site).
- (b) Stawell provided an interesting contrast to Cannington because it was run by a much smaller mining company and thus did not benefit from extensive corporate resources.
- (c) One difference was that Stawell's systems were less highly developed, and it did not have ISO14001 certification. Also, there was less documentation present, which made the process of obtaining information more time-consuming.
- (d) Furthermore, it was clear that the costs of achieving certification would be greater for a small site.
- (e) Due to their relative lack of well-developed and documented systems, an outcomes-focused approach would be advantageous for small sites.
- (f) At this field trial, group interviews were used in some instances, which the team deemed to have varying degrees of success. The round table with shift employees was most useful while the lunch with the regulators and the dinner with community members were less so; in those cases, the team members thought that individual interviews would have been a more efficient and informative approach.
- (g) As at Cannington, team members felt that the allotted time was inadequate for a thorough implementation of the protocol.

- (h) Comments from the team members assisted the Project Officer in formulating proposals for additional changes to the protocol for use at subsequent field trial sites.

### **3. Levels of certification**

- (a) The question was raised as to what level of certification would be sought in a certification program. It was noted that this level would be determined by the desired end product.
- (b) WWF proposed that the goal was to obtain assurance that the mine was well-managed, in terms of both systems and outcomes.
- (c) It was broadly agreed that achieving the highest level, that of “positive assurance” (a report stating that the auditors had found reliable evidence that the site was achieving the level of performance required for certification), would not be possible owing to the high costs associated with such a level of assurance.
- (d) “Negative assurance” (a report stating that the auditors had not found any evidence of misconduct, despite some remnant uncertainty) would also be difficult to attain for some principles and criteria.
- (e) A more achievable goal might be an “agreed-upon procedures”-based audit, which would focus on evaluating the quality of systems in the absence of clear data on outcomes.
- (f) The lowest level, in which an auditor gives his or her professional opinion (not supported by externally developed standards to be applied to all sites seeking certification), would contain a high degree of subjectivity and would thus add little of any value, either to operators or stakeholders.
- (c) The general consensus among Working Group members indicated that the level of certification should be a flexible combination of an “agreed-upon procedures”-based approach and one seeking “negative assurance”.

### **4. Rating**

- (a) The Working Group agreed that the next step in the field trial process would be to develop a system for rating, in a quantitative fashion, field trial sites’ performance on the issues identified in the protocol. It was noted that this would be more difficult for some criteria than for others.
- (b) It was mentioned that Working Paper 1 referred, in the footnotes, to standards that could be useful in setting performance measures. It was mentioned that the MCA’s implementation guidelines, which aim to assist sites to achieve the goals set by the ICMM Principles, might also be useful in setting these measures. It was decided that the scoring system devised in the first draft of the protocol would provide a useful model, although it might have to be altered slightly.
- (c) Several people noted that it would be necessary to minimise subjective bias in scoring, in order to ensure that the certification process would be robust and replicable across sites.

## **5. The Tarong field trial**

- (a) It was decided that it would be best to start the scoring process by developing performance measures for management systems.
- (b) It was determined that, before the Tarong trial in mid-September, it would be necessary to develop performance measures to apply to the MCEP protocol – if possible, informed by the MCA implementation guidelines – and compare these to ISO14001 and SA800 standards among others.
- (c) As the site would have just undergone an ISO14001 audit, one possibility would be to use that report to check whether it would be possible to feed the information gained during the ISO14001 audit into the MCEP protocol. (See point 1.(e) above.)
- (d) In order to test the degree of subjectivity in the standards, it was suggested that one possibility would be to ask two team members to rate the same set of criteria. This would determine the inter-rater reliability of the scoring system.
- (e) It was decided to hold a teleconference with Working Group members after the Tarong field trial, on 24 September at 11 AM.

## **6. The Catalao field trial**

- (a) It was announced that the Project Sponsors had reached unanimity on the decision to approve an international field trial at Anglo American's Catalao niobium mine in Brazil.
- (b) This field trial will occur next year.
- (c) The advantages are that the MCEP will engage Anglo American and that this field trial will allow the protocol and process to be tested in a context other than that of Australia.
- (d) However, this field trial will also present significant challenges due to the complexity of trying out the MCEP model in a different language and culture.
- (e) The Catalao field trial will be discussed in an annexe to Working Paper 2, which will be primarily based on the Australian field trials.

## **7. Phase 3**

- (a) The final phase of the MCEP, which will begin early next year, will include an outreach component. This may involve the Project Team's attendance at conferences, both within Australia and overseas.
- (b) The lead time on many of these conferences is quite long. Many require submission of an abstract six to eight months before the conference. However, the MCEP is not yet at a stage at which an abstract could be written in any great detail. This makes it impossible for the Project Team to submit abstracts for any conferences at this time. Submission of abstracts will thus be deferred to a time when the project is closer to closure.
- (c) A request was made for a scoping paper to be written for Phase 3 of the project, which will cover questions concerning the governance of a potential certification program.
- (d) Mention was made of a pending international review of certification schemes, sponsored by UNEP, which could be informative in addressing governance issues in Phase 3.

## **8. Free, Prior and Informed Consent**

- (a) The industry participants in the project have developed a text on Free, Prior and Informed Consent upon which they have achieved consensus.
- (b) This text was subsequently circulated to other Working Group members with different interests and constituencies. Some WG members were not satisfied with the text, which in their opinion described a process of consultation rather than the achievement of consent.
- (c) It would appear that these different subsets of the Working Group are at a standoff.
- (d) A meeting will be called, for all Working Group members who choose to attend, on the issue of Free, Prior and Informed Consent.
- (e) If, however, a consensus cannot be reached, it may be necessary to insert two different sets of text on Free, Prior and Informed Consent into the final draft of Working Paper 1 along with proposals for resolution of the issues.

## **9. The Global Sustainable Development Conference**

- (a) Despite the MCA's offer, it was decided that the Project Team would decline to make a presentation at the MCA's Global Sustainable Development Conference in October.

## **10. Actions**

- (a) The Project Officer will:
  - assist in finalising the findings reports from the first two field trials and ensure they are sent to the site representatives.
  - in collaboration with Peter Southern, create a ranked list of proposed action items for Stawell, with a request for an estimate of the investment on their part that would be required to achieve those improvements, in order to assess what level of achievement could reasonably be expected from small enterprises.
  - reformat the process reports from Cannington and Stawell in a manner more amenable to an "investment appraisal".
  - make final arrangements for the field trials at Tarong, Tanami and Granny Smith.
  - informed by ISO14001 and SA8000 standards, and in collaboration with the Team Leader and Working Group contact, design draft performance measures to be applied to management systems in each area of the protocol, for evaluation at Tarong.
  - again in collaboration with the Team Leader and Working Group contact, create a draft scoring system for criteria related to management systems, to be trialed at Tarong.
  - contact Anglo American to organise the Catalao field trial.
  - organise the post-Tarong teleconference on 24 September.
  - call a meeting to discuss the issue of Free, Prior and Informed Consent.
  - seek to procure a copy of the MCA implementation guidelines, as soon as available.
  - once the Field Trials have been completed, compose a first draft of Working Paper 2.
- (b) The Project Team will:
  - write a scoping paper with terms of reference for Phase 3.

- arrange for an FSC certifier to give a presentation to the Working Group at a future meeting.
- (c) The Working Group will:
  - indicate whether they will be participating in the teleconference on 24 September and the meeting on FPIC.
  - provide feedback on the draft standards and scoring system.

**11. Date for next Working Group meeting**

- (a) Tuesday 30 November was proposed as a possible date.
- (b) The Project Officer will confirm this date closer to the time.
- (c) During this meeting, Leah Horowitz and the Team Leaders will present the results of the last three field trials, and the Working Group will discuss the first draft of Working Paper 2.