

APEC MINING TASK FORCE (MTF) MEETING 2014

June, 24-25, 2014 Beijing, China

SUMMARY REPORT

1. Introductory Matters<sup>1</sup>:

Representatives from 17 of the 21 APEC member economies, including Australia, Brunei Darussalam, Canada, Chile, People's Republic of China, Indonesia, Japan, Malaysia, Mexico, New Zealand, Peru, The Philippines, Russia, Chinese Taipei Thailand, The United States, Viet Nam, met in Beijing, People's Republic of China, on June 24-25 for the 8<sup>th</sup> Mining Task Force (MTF) Meeting of 2014.

The meeting was chaired by Mr. Rodrigo Urquiza from Chile.

The Chair welcomed the delegates from APEC members to attend the 8<sup>th</sup> MTF meeting and made his opening remarks. He expressed the challenges faced by this mining discussion platform since it started as GEMEED in late '90, the development of the NFMD in 2005 and the merging to become the MTF in 2007. The current revision by the Secretariat and the interest of all member economies supports moving forward with this relevant group. The Chair called for the sincere efforts and active participation of delegates regarding expected outcomes of the meetings and stressed the need of having substantive discussions on all the agenda items.

Mr. Bai Xingbi, Deputy Director General of Department of Science and Technology & International Cooperation of the Ministry of Land and Resources from the host economy delivered welcome remarks on behalf of the Chinese organizers (see annex 1)

Mr. Tadashi Sahara, Representative of ABAC also delivered an opening statement. (See annex 2)

2. Agenda item 4:

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<sup>1</sup> This covers points 1,2 and 3 of the agenda

The Chair briefed the Group on the draft agenda and asked the MTF members if there were any comments. As there were no comments, the agenda was deemed to be approved and thus adopted by the Group.

3. Agenda item 5:

The APEC Secretariat delivered a report on the key developments in APEC during the first trimester of 2014. It also referred to the second period of submission of Concept notes for APEC funding which expires on July 21, 2014. The Secretariat then reported on the independent assessment of the MTF. Mr. Vincent Hudson, an assessor contracted by APEC, also attended the meeting, and made a short presentation on his task. Mr. Hudson also expressed his desire to personally interview each of the Delegates to receive their views on the MTF.

4. Agenda item 6:

4.1 Strategic Plan 2014-2015:

The Chair presented to the MTF members the draft of the Strategic Plan 2014-2015 for their consideration.

Member economies including Australia, The US, Canada, Chile, and Peru among others made comments on the draft and proposed new language in regard to some specific items of the document.

After the discussion, the MTF agreed on a new version of the Strategic Plan for 2014-2015 and adopted it.

- The Strategic Plan includes:
  - Vision Statement
  - Mission Statement
  - Critical Success Factors
  - Agreed Priorities and Objectives
  - Prioritized Implementation Schedule
  - Expected Outcomes/Deliverables for 2014: develop the directions and issues to be discussed during the 5<sup>th</sup> APEC Meeting of Ministers Responsible for Mining;

development of new project proposals to enhance capacity building in the field of mining and metallurgy in accordance with the priorities set out by Leaders and the host Economy; member economies report on the current situation in their mining sectors including major events, trends, problems/issues of the sector, forecasts for the future; and develop and present the Report of the MTF to the SCE.

- Expected Outcomes/Deliverables for 2015: MTF would evaluate the amount of substance and importance of the work undertaken by the MTF to provide the SCE/SOM/Ministers and Leaders the basis to decide the future of the Task Force in terms of its substantial achievements.

#### 4.2 Work Plan 2014:

The Chair presented to the MTF members the draft 2014 Work Plan for their consideration.

Members including Australia, Canada, The US, New Zealand and Chile made different comments on the draft and proposed some wording suggestions.

The ABAC representative also made comments and proposed language related to the wording regarding the role of the business sector and its participation and level of engagement.

After the discussions, consensus was achieved and thus the Work Plan was deemed to be approved and adopted.

The 2014 Work Plan was elaborated on in response to Leaders/Ministers/SOM/SCE/ priorities and decisions, as well as China's 2014 priorities and ABAC recommendations.

- The Work Plan is focused on:
  - Promoting Connectivity
  - Sustainable and Inclusive Growth
  - Promotion of Innovation Development and Growth
  - Business Sector (work plan with other International Organizations aside from APEC)

- Other Organizations/Stakeholders, including the IFIs and other International Organizations
- Identifying cross cutting issues and explaining how they will be coordinated across APEC Fora.
- Expected Outcomes/Deliverables for 2014: develop the issues and direction of discussions to take place during the 5th APEC Meeting of the Ministers Responsible for Mining; develop new project proposals to enhance capacity building in the fields of mining and metallurgy, in accordance with the priorities set out by Leaders and the host Economy; permit member economies to report on the current situations in their respective minerals and metals mining sector; develop and present the MTF Report to the SCE; deliberate on renewal of the MTF Mandate for the period 2015 – 2016, subject to approval by the SCE/SOM/Ministers and Leaders.

Both the Strategic Plan and Work Plan will be presented to the SCE, during its next meeting in August in Beijing during the SOM III meeting for their adoption by the SCE and SOM.

#### 5. Agenda item 7: Sustainable Development in the Mining Industry

Under this agenda item the following presentations were made:

- 1) Policy Dialogue on Natural Resources-Based Development presented by Dr. Lahra LIBERTI from OECD Development Center.  
This presentation reviewed the rationale, objectives, membership, value added, activities and outputs of the OCED Development Center.
- 2) The OECD's Conflict Minerals Program presented by Ms. Shivani Kannabhiran.  
This presentation introduced the OECD's due diligence guidance for responsible supply chains of minerals from conflict-affected and high risk areas.
- 3) Mandatory Reporting Standards for the Extractive Sector presented by Canada.  
This presentation provided an overview of the Government of Canada's progress toward establishing mandatory reporting standards for the Canadian Extractive sector.

- 4) Chinese Taipei's Successful Experience in Urban Mining: a Case of Waste Glass. Chinese Taipei delegate introduced their successful experience in urban mining.
  - 5) Extractive Industries Transparency Initiative (EITI) presented by Assistant Secretary. Ms. Teresa S. Habitan, Department of Finance from the Philippines. This presentation focused on the challenges in extractive sector Governance, the ongoing reforms in the Philippines, the implementation of the EITI and the early gains from EITI implementation. Vietnam and Peru showed great interests in this Initiative. There was particular interest on the cost of the implementation.
6. Agenda item 8: Current trends in the mining and metallurgy sector:
- 6.1 The following member economies presented their annual mining brief reports:
    - 1) Brief Report on Peru's mining sector given by the Vice Minister of Energy and Mines of Peru. This presentation introduced Peru's participation in APEC and its mining industry.
    - 2) Brief Report on Mexico's mining sector given by representative from Ministry of Economy of Mexico. This presentation introduced Mexico's mining sector and activities of Mexican Geological Survey.
    - 3) March 2014 Bulletins on mining and exploration by the representative from Canada. This presentation focused on the fluctuating mining market of Canada, policies to streamline approval process for oil, gas and mineral licenses and efforts to engage aboriginal people in mining activities.
    - 4) Brief Report on New Zealand's mining sector. The report introduced New Zealand's environmental regulations, community engagement in mining activities and gold and platinum licenses regulations.
    - 5) Brief report on the US's mining sector: Information was presented concerning mineral production statistics, energy policies and mining safety and disease policies. The report also made reference to the US Geological Survey's "Mineral Commodity Summaries 2014"<sup>2</sup>

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<sup>2</sup> <http://minerals.usgs.gov/minerals/pubs/mcs/2014/mcs2014.pdf>

- 6) Brief Report on Australia's mineral and metal sector in 2013, including review of mining production and prediction for the following 5 years (from 2013/2014 to 2018/2019), its exploration development incentive and efforts on streamlining environment assessment processes at the state and national levels of government.
- 7) Brief Report on Chile's mining sector in 2013, including review of the investment and production in mining sector. Also challenges faced by the Mining Industry in Chile, such as water and energy scarcity.

#### 6.2 International Metals Study Groups presentation:

Report on global development of the non-ferrous metals and commodities presented by Mr. Don Smale, International Metals Study Groups. This presentation reviewed the mineral and metal market, such as production, export and import of Zinc, Lead, Copper and Nickel. It mentioned specially APEC relevance on the mining market.

#### 6.3 Australia presented: "Australian Innovation for the Global Mining Industry"

This presentation introduced Australia's Commonwealth Scientific and Industrial Research Organisation (CSIRO) and focused on its mineral resources flagship which is creating positive impacts in areas including "growing Australia's resource base", "increasing productivity", "driving environmental performance" and "resources supporting society".

#### 6.4 Monitoring Networking

The Chair introduced the idea of developing a monitoring networking among MTF economy members on those initiatives underway in international fora/organizations that may affect the mining industry negatively. The intention is to take advantage of the attendance of delegates to international meetings where those issues are discussed and letting them know the other MTF members for their own actions to be taken.

### 7. Agenda item 9: Analysis of APEC projects underway and possible future proposals:

#### 7.1 Member Economies proposals:

- US addressed the Project “The Minamata Convention on Mercury: reducing mercury use in the artisanal and small-scale gold mining sector”. Indonesia, People’s Republic of China, Chile and Chinese Taipei supported the initiative.
- Russia presented its initiative on “Increasing the added value in production and trade of mineral raw materials in the APEC region”. Japan, Australia: urged caution and suggested more development of the proposal. Chile and ABAC representatives expressed difficulties to support Russia’s initiative as proposed. The US rejected the proposal.
- Australia presented: “APEC risk assessment training on metals and metal compounds” (Project builds on the November 2012 workshop on Regulatory Cooperation-Introductory Level Training on Risk Assessment training on metals and metal compounds) Committee on Trade and Investment, Chemical Dialogue, Regulators’ Forum. Japan, People’s Republic of China, Chinese Taipei and Chile supported the initiative. The US expressed support on the project but needed to approach to the Capital for a final decision.

The MTF Chair summarized the outcomes as follows: Due to the different comments: that both the US and Australian proposals had achieved the necessary consensus to be adopted by the MTF, but in the case of the Russian proposal, given the lack of consensus, at this stage it was not possible to agree on its adoption and urged Russia to take into consideration the comments made by the different economies and consider presenting the initiative during the next MTF meeting.

## 7.2 ABAC presentations

- ABAC Representative, Mr. Ted Sahara, made an intervention on “Mining in APEC: Possibilities for long term public-private engagement”
- ABAC Representative, Mr. Jeff Hardee, Director, Asia Pacific Government and Corporate Affairs, Caterpillar made a presentation on “Overview of ABAC mining study”

Economies' responses to ABAC presentations: People's Republic of China, Canada and Chile expressed their support for ABAC's involvement in mining sector.

New Zealand would like to review ABAC draft report on mining which will be finished on July 3<sup>rd</sup> and circulated soon.

8. Agenda Item 10: The 5<sup>th</sup> Meeting of Ministers Responsible for Mining (MRM5)

People's Republic of China provided a briefing on the preparations by the Chinese delegation.

Chinese delegates gave presentations related to the themes for MRM5: a) China's Endeavor to Promote Green Mining by Mr. Yuan Guohua, Key Laboratory of Carrying Capacity Assessment for Resource and Environment of Chinese Academy of Land & Resource Economics of Ministry of Land and Resources (MLR); b) Minerals trade between China and APEC economies by Dr. Yan Weidong, Information Center of MLR; c) Corporate Social responsibility on the Mining Industry by Mr. Sun Chunqiang, Information Center of MLR.

The MRM5 draft Agenda was presented by People's Republic of China. After MTF discussion, it was approved.

The MTF chairperson proposed to discuss the draft Joint Statement paragraph by paragraph. (Total 22 paragraphs)

Russia, The US, Japan, Chile, Canada, Chinese Taipei, Australia, Viet Nam, People's Republic of China, Indonesia, Peru and ABAC made comments and proposed new wording in paragraphs, such as 4, 5, 6, 8, 9, 10, 11, 15,16, 18, 20.

Viet Nam, on its behalf proposed the introduction of language in the paragraph 8 related to: 1) regional peace, 2) respect for the territorial sovereignty 3) solving disputes on mineral resources exploitation based on international laws.

China disagreed given that APEC is an economic forum and political issues should not be raised in this forum. Chile and Malaysia agreed and supported China on this matter. As there seemed to be a lack of consensus on adding the last two proposed items they were not accepted.



In regards to the wording on regional peace, it was mentioned that the 2013 Bali leaders declaration referred to the issue of peace, MTF agreed to keep the word and present the draft Joint Statement to the Ministers for further discussion

9. Agenda Item 12: Date and venue for the 9th MTF Meeting (The Philippines)

The Philippines announced that 9<sup>th</sup> MTF Meeting will be held in May 2015 in Manila. (Makati Shangri-la Hotel)

10. Closing Session

The MTF Chair made his closing remarks by thanking all the participants for attending this MTF meeting and underlined the substantive discussions undertaken and hoped that this would be replicated in the next meeting of the MTF in Manila in May of 2015

The meeting ended with the traditional family photograph with all the delegates that attended the meeting.

ANNEX 1:

Opening Remarks at MTF8  
Mr. Bai Xingbi  
Deputy Director General  
Department of Science and Technology & International Cooperation  
Ministry of Land and Resources  
People's Republic of China

Dear Chair and MTF Colleagues,

Good morning.

It's a great pleasure for me to attend the 8<sup>th</sup> Meeting of APEC Mining Task Force today. First of all, on behalf of the Ministry of Land and Resources of the People's Republic of China, I would like to congratulate on the successful opening of MTF8 and warmly welcome all of you to come to Beijing. At the same time, I would like to express my sincere thanks to Mr. Rodrigo Urquiza, MTF Chair, and Ms. Romy TINCOPA, Program Director of APEC Secretariat, for your helpful guidance to the organization of MTF8, and my thanks also go to each of MTF colleagues for your great support of this event.

As the host of APEC in 2014, China will host a series of APEC meetings throughout the year under theme of "Shaping the Future through Asia-Pacific Partnership". Based on the consensus of APEC member economies, the Ministry of Land and Resources of China will host the 5<sup>th</sup> Meeting of APEC Ministers Responsible for Mining (MRM5) from June 27-28 in Beijing. The theme of MRM5 is "Closer Mining Cooperation for Transformation and Growth." Under this theme, three important and related topics are going to be discussed, namely "closer cooperation of the mining sector in the Asia-Pacific region", "innovation-driven growth", and "social responsibility and common development".

In this context, the success of MTF8 is surely essential to the success of MRM5. Apart from the discussion of important MTF issues, a more important task for MTF8 is to discuss and improve the agenda and the Joint Statement of MRM5. This Joint Statement is the most important outcome of MRM5 and will have profound influence for the future mining

cooperation in the Asia-Pacific region. China has taken the initiative to draft the Joint Statement. Thanks to the great contribution from all APEC member economies, our draft has been much improved. I hope that consensus of the Joint Statement can be reached at MTF8 so that it can be presented to MRM5 for Ministers' deliberation as expected.

I'm convinced that with the strong leadership of the Chair, the helpful assistance of the APEC Secretariat, and the great support from APEC member economies, MTF will play a more important and active role in promoting mining cooperation in the Asia-Pacific region in future. As we are gearing up for the opening of MRM5, I hope the MTF8 will pave the way for its success.

Finally, I wish MTF8 a complete success and wish all of you good health and a pleasant stay in Beijing.

Thank you.

## ANNEX 2:

### Opening Remarks by the Representative of ABAC, Mr. Tadashi Sahara:

Thank you, Chair, for inviting us to join the Mining Task Force meeting. I would also like to thank the host for the wonderful arrangement for this meeting.

I am honored to speak on behalf of the ABAC delegation. This is the first time to MTF despite the breadth of our cooperation with APEC. The delegation this time consists of members from Japan, Russia and USA and there are many other economies with strong interest in this field.

We all know that APEC has worked since its inception in 1989 to promote free and open trade and investment in the region through various items including reduction of tariff and non-tariff measures, and harmonization of various procedures. ABAC has been part of this work since 1996, providing business perspective to APEC activities.

Later today, I will present to you a brief outline of ABAC and its activities.

I understand this is the eighth meeting of MTF and I am glad that ABAC is finally able to join. Our past work on the sustainable development agenda had focused on energy and food security but starting this year we plan to direct more of our efforts on mining. We hope to strengthen our engagement with MTF through meetings such as these.

I look forward to having good discussions and learning from you all through the meeting.  
Thank you.