

**APEC MTF Workshop and Public-Private Dialogue:
Enhancing the Trade and Investment Environment for Mining
through the APEC Mining Sub-Fund**

25-26 August, Cebu, Philippines

Summary Report

Overview

The APEC MTF Workshop and Public-Private Dialogue was held in Cebu on 25-26 August. Discussions focused on the theme of “Enhancing the Trade and Investment Environment for Mining through the APEC Mining Sub-Fund”. It was attended by approximately 36 officials from APEC economies and 10 private sector representatives. Enthusiastic private sector participation enhanced the quality of discussions and added value to the refinement of possible project ideas.

The workshop achieved its objectives. In particular, it resulted in: greater understanding of the current context, opportunities and challenges in mining; the generation of a short list of possible capacity building project areas for each of the identified priority topics; productive engagement to refine specific project ideas; and greater understanding of the APEC project process, including next steps required to submit a project for APEC funding, and to manage the APEC Mining Sub-Fund.

Discussion

The workshop and dialogue noted recent developments in the mining sector and its operating environment, which has changed the way in which the industry is perceived and how it needs to operate now and into the future. Key trends identified included:

- Dominance by APEC economies in global demand and supply of minerals and coal (supply >50% of the world’s iron ore, >70% of the its copper, nickel, silver, lead, zinc, nickel, bauxite and tin, and >90% of its coal and molybdenum; APAC demand for key commodities estimated 60 - 70% of global) (Source: CRU 2015, *Mining in APEC economies: opportunities and challenges*, commissioned by ABAC)
- Generally lower commodity prices and reduced mining productivity in several economies, which necessitate close attention to all aspects on mining operations and operating environments by both companies and governments to help reduce unit costs
- Ongoing poor understanding and perceptions of mining by some stakeholders within many economies
- The imperative of achieving social licence to operate, with increasingly active communities that are empowered formally and informally to intervene to halt mining development
- The major contributions of mining to resource-rich economies, in terms of revenue, employment, local business and infrastructure

- Low representation of women in all parts of the mining workforce and the strong case to engage many more women for business, economic and equity reasons
- The importance of mining equipment, technology and services (METS) sector as both underpinning mining industry innovation and productivity and providing a second pathway for adding value to minerals and coal
- The key roles of investment, technology and skills in building leading practice, competitive mining activities that contribute to economies and enhance sustainability of mining impacts.

Participants agreed that mining was at a crossroads and its new route will be different from the past, with emphasis on attracting responsible investment, enhancing productivity, engaging with communities (including through social media), building local economies, involving women, and minimising environmental impact. This approach to mining was termed 'Mining 2.0' by several speakers. These trends served to emphasise the relevance and importance of progressing the ten APEC Mining Policy Principles.

Outcomes

The discussion generated comments on responses that are required from government and business, and included many practical (and some inspiring) examples of how this could be done. It was a very useful guide for the focus and development of capacity-building ideas that could be funded by the Mining Sub-Fund, and/or other funding sources.

The results of a survey on capacity building priorities were presented and used as a launching pad for brainstorming on more specific ideas (see the Attachment). For interest, a prioritisation exercise was undertaken, which resulted in the priority topics being ordered as follows:

- Technology and innovation (e.g. R&D, technology partnerships, information exchange and transfer)
- Mining regulation, governance and practices
- Community engagement (e.g. through supply-chain participation and service provision)
- Corporate social responsibility (CSR) (e.g. community development, indigenous peoples, labour practices)
- Private sector engagement and cooperation with the mining industry
- Environmental protection (e.g. biodiversity protection, water management, air pollution, noise and vibration control etc).

Participants were briefed on the process for applying for funding through APEC including the eligibility criteria for the APEC Mining Sub-Fund. Feedback showed that this led to a large increase in understanding for each of the participants.

Finally, champions were given the opportunity to 'pitch' project ideas and develop these further through engagement with the valuable economy, private sector and guest expertise in the room. These projects focused on work in the fields of METS, artisanal and small scale mining, monitoring dust and silica, attracting investment for mining, productivity measurement and strategies, mine closure and reclamation, and a competition to highlight best practice in CSR.

This opportunity to exchange ideas 'face-to-face', led to useful refinements to many of the potential projects, which were fed back to the group. All of the projects were then formally presented by economies to the subsequent Mining Taskforce meeting as proposed work going forward, in collaboration with the private sector.

APEC MTF Workshop Session 2: Capacity building priorities to improve the enabling environment for mining trade and investment in the APEC region

Facilitator: Vincent Hudson (Auspex Strategic Advisory)

Brainstorming exercise results

Priority Capacity Building Topic	Project Ideas	Total Votes	MTF Member Votes	Private Sector Votes
Technology and Innovation	<ul style="list-style-type: none"> • Cross-border/ universities collaboration • Exchange of experts • Creation of specialist centre 	17	10	7
Mining Regulation, Governance & Practices	<ul style="list-style-type: none"> • Attracting investment on Mining <ul style="list-style-type: none"> ➢ Gathering information ➢ Share experience 	15	11	4
Community Engagement	<ul style="list-style-type: none"> • Capacity building project to identify best practices in community engagement to share with other communities to help them understand opportunities and how to engage with mining companies 	14	8	6
Mining Regulation, Governance & Practices	<ul style="list-style-type: none"> • Natural Resources Governance <ul style="list-style-type: none"> ➢ Best Practices ➢ Benchmark 	13	10	3
Private Sector Engagement	<ul style="list-style-type: none"> • Management and CSR 	13	9	4
Environmental Protection	<ul style="list-style-type: none"> • Post mining design and planning <ul style="list-style-type: none"> ➢ To ensure environmental, social and economic sustainability 	13	9	4
Corporate Social Responsibility	<ul style="list-style-type: none"> • Effective communication to balance perception (NGO and community) 	11	5	6