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Agenda Item: 4

Mining Task Force Proposed Mandate Extension to 2018 and Terms of Reference Revision

Purpose: Information

Submitted by: APEC Secretariat

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**10th Mining Task Force Meeting
Arequipa, Peru
9-10 May 2016**

APEC Mining Task Force Proposed Mandate Extension to 2018 and Terms of Reference Revision

The APEC Mining Task Force (MTF) is mandated by SCE until the end of 2016 to cover initiatives in the field of minerals exploration, mining and metals including relevant activities previously conducted by the Group of Experts on Mineral and Energy Exploration and Development (GEMEED) and Non-Ferrous Metals Dialogue (NFMD).

The MTF Chair and ABAC wrote to the SCE Chair in September 2015 to request consideration of the proposed MTF mandate extension to 2018 and revised Terms of Reference (TOR). At the 2015 SCE Chair's direction, SCE's consideration of this issue has been scheduled for SCE1 2016. The proposed revised TOR is enclosed at Attachment A, and ABAC's letter is at Attachment B.

While the MTF's current mandate is scheduled to expire at the end of 2016, there have been several pivotal developments that have made its continued operation beyond this timeframe both desirable and necessary:

- First, in 2015 Australia contributed approximately \$958,000 USD (1.2 million Australian dollars) to establish an APEC Mining Sub-Fund that will support mining-related projects in APEC, involving close cooperation with the private sector, to promote capacity building in line with the 10 Mining Policy Principles. MTF members have submitted five draft Concept Notes for member's inputs for consideration for funding under the Mining Sub-fund during Session 1 in 2016. However, any successful proposals will by necessity be scheduled through to the end of calendar year 2017 – after the current MTF mandate is scheduled to expire.
- Second, the MTF completed a highly successful and well-attended meeting (MTF9) during SOM-3 in The Philippines (Cebu) in 2015, with participation by 15 economies and a number of non-member international organizations.
- Third and also importantly, following from an initial Public-Private Dialogue (PPD) conducted during the 2014 MTF gathering in Beijing, the MTF sessions in Cebu in 2015 included a second Public-Private Dialogue featuring mining and associated industry representatives. These PPDs and the attendance of ABAC members have been very welcome additions, reflecting industry interest in the MTF, and we expect PPDs to become a permanent feature of our annual meetings. ABAC indicated strong support for an extended MTF mandate during the meetings in Cebu.
- Fourth, MTF members particularly appreciated Peru, Vietnam and Papua New Guinea's productive engagement at MTF9 in Cebu. Extending our mandate through 2018 would enable us to work closely with these future hosts, and to support each host economy's approach to integrating mining into APEC's priorities during their respective host years.

In short, we see significant opportunity to raise the profile and impact of the MTF within APEC, particularly given the developments outlined above.

An extended mandate for the MTF beyond 2016 will also support the MTF's current strategic planning requirements and facilitate long-term planning and priority setting. The current MTF Strategic Plan expired in December 2015. In accordance with "Strategic Planning – Process Guide for APEC Working Groups" (2011/SOM3/SCE/016), strategic plans should be longer-term (3-5 years), and set the overarching objectives and purpose for APEC working groups. In that regard, the MTF will require a longer-term mandate (of at least three years, until the end of 2018) in order to establish the framework for the development of a long-term strategic plan, consistent with APEC requirements.

The proposed revised TOR for the MTF are included in this paper for SCE consideration. These proposed TOR integrate changes to reflect the requested extended mandate for MTF to the end 2018. The TOR also includes other changes related to the MTF's response to its 2014 Independent Assessment, in particular, reference to the Friends of the Chair Group and strengthening and updating language concerning MTF cooperation with the private sector and other international stakeholders. The revised TOR also now include reference to the MTF's role regarding eligibility assessments of Concept Notes seeking support under the APEC Mining Sub-fund (as per the Guidelines for the Mining Sub-fund).

In summary, given the significant strengthening of the MTF as a forum and its growing role, it is now an appropriate time for the MTF to be granted a further 3 year extension to its mandate until the end of 2018.

APEC Mining Task Force**Draft Terms of Reference**

(Revised September 2015)

1. APEC Mining Task Force (MTF)

The MTF is mandated by SCE until end 2018 to cover the activities in the field of minerals exploration, mining and metals including relevant activities previously conducted by the Group of Experts on Mineral and Energy Exploration and Development (GEMEED) (excluding energy issues) and Non-Ferrous Metals Dialogue (NFMD) and will report to the Senior Officials Meeting, through the SOM Steering Committee on Economic and Technical Cooperation (SCE) and the Ministers Responsible for Mining.

2. Objectives

- 2.1. To serve as a platform for Member Economies to strengthen policy dialogue and capacity building;
- 2.2. To enhance market transparency in accordance with the Mining Policy Principles agreed on February 14, 2007 in Perth, Australia, during the Third Meeting of APEC Ministers Responsible for Mining (see below);
- 2.3. To assist in enhancing minerals exploration, mining and metals industry development through action – oriented programs and activities that are focused and strategic;
- 2.4. To ensure that mining, minerals and metals-related concerns are adequately addressed within the APEC processes; and
- 2.5. To advance the 10 APEC Mining Policy Principles adopted by Ministers Responsible for Mining:
 - 2.5.1. Pursue policies that enhance the sustainable production, trade and consumption of minerals and metals thereby improving the economic and social wellbeing of our people.
 - 2.5.2. Foster regular exchange between member economies about experiences with regulations, policies and practices and about significant developments in each economy's minerals and metals sector.
 - 2.5.3. Promote the best possible functioning of global markets for minerals and metals, through support for market transparency and facilitation of trade. Export restrictions should be employed only in exceptional cases, and in accordance with WTO rules.
 - 2.5.4. Foster investment certainty in the APEC minerals sector through the pursuit of open minerals and metals markets and the articulation of clear and predictable investment policies.
 - 2.5.5. Promote cost effective, evidence based, transparent and objective-based measures which improve the efficiency in the regulation of the minerals industry to contribute to economic, environment and social development outcomes.
 - 2.5.6. Encourage, support and promote initiatives by the minerals and metals industry and stakeholders that contribute to national and international sustainable development goals.
 - 2.5.7. Encourage research to develop and apply new minerals exploration, extraction, and pollution control technologies that are more cost effective, efficient, economically sound, environmentally responsible and socially acceptable. Promote information exchange and cooperation on such technologies.
 - 2.5.8. In partnership with all life cycle participants, ensure that materials and products made from minerals and metals are produced, consumed, recycled or disposed of in a responsible manner.
 - 2.5.9. Encourage all participants in the life cycle of a material or product to take direct

responsibility for their area of action, and a shared concern over other stages of the life cycle.

- 2.5.10. Support capacity building activities for sustainable development so that all APEC Economies are able to maximise the benefits and minimise the impacts from minerals resource development.

3. Scope of Activities

- 3.1. The MTF will address issues considered relevant and important to Member Economies related to greater integration of mining operations and applications (supply chain) of mineral and metal products, including:
 - Exploration and extraction of minerals and associated sustainable development issues for mining;
 - Industrial processing and recycling of minerals and metals; and
 - Trade and investment issues related to mineral and metal commodities.
- 3.2. The MTF will provide Member Economies with opportunities to exchange information, views, experiences and analyses on mining, minerals and metals-related issues in the APEC Region.
- 3.3. The MTF will address the recommendations of the relevant Ministerial Meetings and Leaders' Declarations as they relate to minerals exploration, mining and metals issues, and other recommendations that may arise within the APEC process, including through Mining-related Public-Private Dialogues arranged with the APEC Business Advisory Council (ABAC).
- 3.4. The MTF will provide recommendations to the Ministers Responsible for Mining Meeting and the SOM on the short, medium and long term programs that could assist mining, minerals and metals industry development and how to best implement them within the APEC process.
- 3.5. The MTF will strengthen the coordination with other bodies, within or outside the APEC process, that are developing similar or complementary initiatives in order to get the most efficient and effective results.
- 3.6. The MTF will work closely with the business sector and industry bodies to ensure that the Group's work is practical and focused on improving the business climate for entrepreneurs within and among Member Economies.
- 3.7. The MTF will determine eligibility for projects seeking Mining Sub-fund support.

4. Structure of the MTF

- 4.1. The Group will be composed of policy officials of Member Economies responsible for the mining, minerals and metals industry. Industry representatives and relevant experts from other organisations, such as the International Metals Study Group Secretariat and the World Bank, may be invited to participate in accordance with the current APEC *Guidelines on Managing Cooperation with Non-Members*.
- 4.2. A Chair and Vice Chair will be selected and undertake duties in accordance with the current *Revised Guidelines for Lead Shepherd/Chair and Deputy Lead Shepherd/Chair of APEC Working Groups and SOM Task Forces*. The Vice Chair will be from the incumbent host economy with tenure corresponding to the hosting year.
- 4.3. An MTF Friends of the Chair (FoTC) group will act as a voluntary advisory committee to assist the Chair in driving priority issues and project development.
- 4.4. The FoTC will also assist in exploring opportunities for collaboration with relevant entities (e.g. Public-Private Dialogue with the APEC Business Advisory Council (ABAC), as well as potential projects and/or workshops.
- 4.5. The MTF will meet at least once a year. Efforts will be made to combine the officials meeting with broader stakeholder meetings.

The achievements of the MTF will be reviewed at the conclusion of its mandate (until December 31 2018) against its stated objectives and outputs.