

International Scene

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INTRODUCTION

The year 1998 will go down as a difficult one for Canada's minerals and metals industry. Asia's economic troubles, which had started in mid-1997, spread to Japan, the world's second largest economy. A ripple effect spread to South America and exacerbated the financial crisis in Russia. In mid-year, Canada's economy slowed and the dollar dipped sharply lower against the U.S. dollar and some of the European currencies. The economies of the United States and Western Europe were the only ones to escape relatively unscathed.

The Asian economic troubles had serious repercussions for the world's mining industry, with metal prices dropping substantially, some to levels not seen for many years and others to historic lows. Canada, a major mineral exporter, suffered due to the uncertain outlook for these commodities; Australia, another major exporter, suffered similarly.

The concept of sustainable development of natural resources, and specifically minerals and metals, came to the forefront in 1998. Both governments and industry increasingly recognized the need to address the three components – economic, environmental and social – as part of their policies and business plans. Some of the significant events were:

- the “Workshop on The Sustainable Development of Non-Renewable Resources Towards the 21st Century,” organized by the United Nations Revolving Fund for Natural Resources Exploration;
- “Sustainable Development of Land and Mineral Resources,” a conference organized by the Economic and Social Commission for Asia and the Pacific;

- the “Pan-American Workshop on the Safe Use of Minerals and Metals,” organized by Canada and Peru, in partnership with Chile and Argentina, under the Action Plan of the 1997 annual Mines Ministers of the Americas Conference (CAMMA);
- the “Environmental Cooperation Workshop for Sustainable Development of Mining Activities,” organized by the Expert Group on Mineral and Energy Exploration and Development (GEMEED) under the auspices of the Asia-Pacific Economic Cooperation (APEC);
- the launch of the “Mineral Resources Forum,” an Internet site developed as an initiative of the United Nations Conference on Trade and Development (UNCTAD); and
- an international workshop, “Sustainable Development Criteria and Indicators for Minerals and Metals: Moving from Words to Action,” hosted by the Minerals and Metals Sector of Natural Resources Canada (NRCan).

Some specific Canadian-sponsored activities related to sustainable development issues include: the International Development Research Centre's Mining Policy Research Initiative “Mining and Sustainable Development in the Americas”; the Canada Centre for Mineral and Energy Technology's (CANMET) projects to foster capacity building in Latin America, funded by the Canadian International Development Agency (CIDA); and an Industry Panel on the theme “Towards Sustainable Development of Minerals and Metals” held as part of the Annual Meeting of the APEC GEMEED in Ottawa.

As in previous years, environmental and health-based government regulations affecting the use of and trade in minerals and metals and their products continued to be of concern to the world's minerals and metals sector. These regulations have the potential to affect market access for these commodities and products, not only in Europe but also in countries that are traditional manufacturers of such products, such as Japan. In international fora, Canada continued to promote its *Safe Use Principle*, which is a risk-based approach to managing environmental and health concerns associated with minerals and metals production, use, recycling and disposal.

Mining's image suffered with a cyanide spill at the Kumtor mine in the Kyrgyz Republic and a tailings spill at the Los Frailes mine in Spain. The Kumtor cyanide spill caused widespread panic and negative media coverage. However, an international scientific commission concluded that although the spill was serious, only a small number of people were briefly at risk and the effects were exaggerated. At Los Frailes, the Doñana National Park appeared to have escaped serious damage, and the clean-up of tailings was substantially complete by year-end.

The International Council on Metals and the Environment and the United Nations Environment Programme (UNEP) held a "Workshop on Risk Assessment and Contingency Planning in the Management of Mine Tailings" in Buenos Aires. The Mining Association of Canada, in response to some recent high-profile tailings spills, developed and published its *Guide to the Management of Tailings Facilities*.

Through CANMET, the Government of Canada provided assistance to Canadian mining companies and foreign governments in their response to mine-related environmental incidents (e.g., in Spain and the Kyrgyz Republic).

This review covers major international issues of importance to the Canadian minerals and metals sector, including multilateral, regional and bilateral developments during 1998.

MULTILATERAL DEVELOPMENTS

World Trade Organization (WTO)

The WTO held its second ministerial summit in May 1998, which included anniversary celebrations of the coming into being of the General Agreement on Tariffs and Trade (GATT) 50 years earlier. Ministers agreed to postpone until 1999 a formal decision on whether, and when, to begin the next round of multilateral negotiations. Various proposals for the next round were put forward with the European Union (EU) pushing for a comprehensive "Millennium Round" and the United States favouring a more selective, sectoral approach. The developing countries indicated their preference for a round that focuses on deepening tariff commitments made during the Uruguay Round.

In a key development, the Ministerial Declaration issued at the end of the summit called on the WTO to "increase its efforts toward the objective of sustainable development" (SD), which falls within the responsibility of the Committee on Trade and Environment (CTE). The EU and the United States have put forward proposals to upgrade the CTE's mandate for approval at the 1999 ministerial summit. The United States, which will host the next ministerial

summit in 1999, would like to improve the WTO's "green" credentials, and will seek to make this issue a priority at the summit. To support this policy direction, the United States will co-sponsor, with the EU, a meeting of trade and environment ministers of WTO members to provide long-term direction to the WTO's activities in pursuit of SD.

OECD-Sponsored Multilateral Agreement on Investment (MAI)

International negotiations among Organization for Economic Co-operation and Development (OECD) countries to reach agreement on a multilateral agreement on investment (MAI) were officially suspended in October 1998 when France announced its intention to withdraw from the process. Progress in the discussions had been severely hampered by increasing pressure from a number of segments of civil society that had been expressing concerns about the potential implications of an investment agreement on the ability of countries to regulate in the spheres of environment, occupational health and safety, and culture.

While a number of countries held out hope that the process could be transferred to the broader multilateral arena of the WTO, it became clear that any effort to conduct negotiations within that forum would attract similar opposition.

The OECD and Chemicals Issues

In January 1998, Canada, the United States, Japan, the United Kingdom and industry hosted an OECD workshop in London to explore ways to advance the use of socio-economic analysis in risk management decision making for chemicals, including minerals and metals. Participants acknowledged the benefits of using socio-economic analysis and developed a series of recommendations to improve data quality and transparency in the development and interpretation of socio-economic analyses.

In February 1998, the OECD Risk Management Advisory Group meeting and the OECD joint Meeting of the Chemicals Group and Management Committee endorsed the findings and recommendations resulting from the "Workshop on the Integration of Socio-Economic Analysis in Risk Management Decision Making" and the OECD "Workshop on the Effective Collection and Recycling of Nickel-Cadmium (Ni-Cd) Batteries," which was held in 1997. The latter workshop supported an earlier OECD finding that recycling is the preferred risk management option for Ni-Cd batteries, and identified a number of opportunities to enhance recycling, including international harmonization of battery marking systems to improve collection and sorting.

Mexico expressed an interest in starting a domestic recycling program and hosted a workshop in December 1998 to advance recommendations from the 1997 OECD workshop.

Basel Convention on the Transboundary Movements of Hazardous Wastes and Their Disposal

The intent of the Basel Convention, which came into force in May 1992 and has been ratified by more than 100 countries, was to restrict the transboundary movement of hazardous wastes in order to protect those countries, particularly developing countries, that might not have the capacity or technology to handle them in an environmentally sound manner. The Convention defines recycling as a "disposal" activity, and recyclable materials as "wastes." Canada and some other governments have expressed concerns that the Convention does not adequately distinguish between recyclable materials destined for recovery operations and hazardous wastes destined for final disposal.

The fourth Conference of the Parties (CoP) was held in February 1998. Delegations agreed to amend the Basel Convention to add two new annexes. The first annex (Annex VIII) comprises a list of hazardous wastes that will become subject to the movement "ban" agreed to at CoP3, if and when it enters into force. The second annex (Annex IX) comprises a list of materials that are generally considered not hazardous and that will be excluded from the scope of the regulatory framework established by the Convention. Most recyclable metals are included on the second, non-hazardous annex list. The delegations further agreed to extend the mandate of the Technical Working Group to formally establish a "review mechanism" to revise and update the new annexes as may be required.

Delegations also reviewed requests submitted by Monaco, Israel and Slovenia to accede to Annex VII. These requests stem from the desire of these countries to be able to continue to receive hazardous recyclable materials from OECD member countries. However, the delegations at CoP4 rejected all accession requests, preferring to defer them until the movement ban has entered into force. The delegations further refused to agree to the development of technical criteria that could assist countries in a self-evaluation of their hazardous waste management capacities. The development of technical criteria was perceived as a step towards allowing countries to join Annex VII and was rejected by most member countries.

Meanwhile, the Parties also continued negotiations to reach agreement on a protocol that would govern liability and compensation issues arising from incidents involving the transboundary movement of hazardous

wastes covered by the Convention. The legal and technical working group constituted to address this issue met in June and October in an effort to finalize the protocol, but did not succeed. Key outstanding issues include: defining commencement and termination of liability; defining the liable person; minimum insurance levels; limits on liability; and the creation of a compensation fund to ensure victim recovery for damages suffered.

Law of the Sea Convention: Seabed Mining Code

In June, the G-10 (Japan, the United States, the United Kingdom, France, the Netherlands, Russia, Germany, Canada, Belgium and Italy) met in The Hague to exchange views on the current draft Regulations on Prospecting and Exploration for Polymetallic Nodules in the Area. The objective of the meeting was, to the extent possible, to develop common positions on key provisions within the draft regulations in preparation for the session of the Council of the International Seabed Authority in August 1998. The group reviewed the draft regulations and, in particular, focussed on those provisions dealing with environmental protection, preservation of confidentiality, and the powers of the International Seabed Authority.

In August, the International Seabed Authority held its annual meeting in Kingston, Jamaica, the seat of the Authority. The Council met on a daily basis over the course of two weeks in an effort to conduct a thorough review of the draft Mining Code. As had been expected, most of the discussion focussed on those provisions dealing with confidentiality and with environmental protection from the impacts of seabed exploration.

Heavy Metals Protocol under the Convention on Long Range Transboundary Air Pollution (LRTAP)

Negotiations in the United Nations Economic Commission for Europe (UN/ECE) to develop a protocol to govern emissions of heavy metals quickly became the focus of an attempt by some countries to broaden the scope to include product controls and bans. Eventually, it was agreed that the negotiations would focus on reducing airborne emissions of lead, cadmium and mercury as a first step. The final protocol does, however, include criteria and a process by which other metals, such as nickel, copper and zinc, could be added later. Canada successfully introduced its percentage reduction in emissions approach into the protocol as an acceptable obligation. The protocol was signed by Canada in June 1998 and ratified in December 1998.

Rotterdam Convention on the Prior Informed Consent Procedure (PIC) for Certain Hazardous Chemicals and Pesticides in International Trade

Intergovernmental negotiations – sponsored by the UNEP and the United Nations Food and Agriculture Organization (FAO) – to turn two existing voluntary arrangements (the *London Guidelines* and the *FAO International Code of Conduct*) covering a handful of pesticides and chemicals into a legally binding convention that would establish export controls on a range of substances and products concluded with an agreement in March 1998. Once the Convention comes into force, exporters located in signatory governments would have to receive, from the importing country, formal consent in advance of any controlled substance receiving an export permit. Crocidolite (blue) asbestos, mercury and arsenic-based pesticides, which are covered by the voluntary arrangements, will be included in the legally binding instrument. Despite efforts by the EU to have consumer chemicals included in the definition of “chemical,” it was agreed to exclude them. The Convention’s coverage is limited to banned or severely restricted industrial chemicals and severely hazardous pesticide formulations.

For a chemical to be considered for inclusion on the PIC “list,” the Secretariat must first receive notifications by Parties to the Convention from at least two PIC regions indicating that they have banned or severely restricted that chemical. A Chemical Review Committee then examines the notifications and makes a recommendation, which takes into account whether the chemical has been subjected to a risk evaluation, to the CoP on whether the chemical should be included on the PIC list. The CoP – on the basis of consensus – decides whether to accept the recommendation, thus effectively giving a veto to all Parties.

The Convention also provides that where a country has banned or severely restricted a chemical that it is exporting, it must provide prior notification to the importing Party upon the first shipment and on an annual basis following the first shipment.

Canada signed the Convention at the Rotterdam diplomatic conference in September 1998 and indicated its intention to ratify it quickly.

Persistent Organic Pollutants (POPs)

POPs are predominantly man-made, toxic chemicals that, to varying degrees, resist photolytic, biological and chemical degradation. They are characterized by low water/high lipid solubility, which leads to their accumulation in fatty tissues, and are semi-volatile, being able to travel long distances in air. POPs

include PCBs, dioxins and furans. Canada has played, or is playing, an active role in the following POPs initiatives:

UN/ECE

The LRTAP Convention, negotiated in the context of the UN/ECE (which includes Canada and the United States for historical reasons), has a number of well-known protocols covering emissions of sulphur dioxide (SO₂), nitrogen oxides (NO_x) and volatile organic compounds (VOCs). Since 1989, Canada has played a lead role in seeking to secure agreement on a POPs protocol under the LRTAP Convention. The protocol on POPs, for which negotiations concluded in March 1998, was signed by Canada at the June 1998 UN/ECE Environment Ministers’ meeting in Denmark and ratified in December 1998.

UNEP

At its 19th Session in 1997, the UNEP Governing Council agreed to develop an international, legally binding instrument to protect human health and the environment through measures that would reduce/eliminate the emissions and discharges of the 12 identified POPs (DDT, aldrin, dieldrin, endrin, chlordane, heptachlor, hexachlorobenzene, mirex, toxaphene, PCBs, dioxins and furans). The first international negotiating conference was held in early July 1998 and a second in January 1999. The intention is to conclude negotiations and adopt and sign an international, legally binding instrument for international action by the year 2000.

Intergovernmental Forum on Chemical Safety (IFCS)

In 1997, a number of countries (notably Sweden, the Netherlands and Germany) proposed that the IFCS become involved in activities on chemicals of international concern other than POPs. Sweden offered to organize a workshop to identify health and environmental problems caused by chemicals that pose significant health and environmental risks, and to undertake an overview of national, regional and international work to identify hazardous chemicals and to control their risks. This workshop did not take place, but Sweden renewed its workshop proposal at the meeting of the Forum Standing Committee in Yokohama in late 1998.

During the IFCS Forum II meeting in 1997, the United States proposed that the IFCS should add consideration of endocrine disrupting substances (EDS) to its agenda. As a result, the Forum Standing Committee requested that the Inter-Organization Programme for the Sound Management of Chemicals (IOMC) compile definitions appropriate to endocrine disruption, promote coordinated research, delineate

testing methods, and adopt and maintain an inventory of research activities. The IOMC reported on its progress at the IFCS meeting in Yokohama.

United Nations Economic and Social Council (ECOSOC)

ECOSOC concluded discussion on the reform of the “four friends,” the regional commission and the functional commissions. The main outcome of the discussions concerned the “four friends” where two committees – the Committee on Natural Resources and the Committee on New Renewable Sources of Energy – were amalgamated into a single Committee on Energy and Natural Resources for Development. This new committee will address energy and freshwater issues, but not minerals issues.

United Nations Commission on Sustainable Development (CSD)

The 1992 UN Conference on Environment and Development called for the creation of the CSD to: ensure effective follow-up of *Agenda 21*; enhance international cooperation and rationalize intergovernmental decision-making capacity; and examine progress in *Agenda 21* implementation at the local, national, regional and international levels. Discussions at the 1997 UN Special Session to review implementation of *Agenda 21* outlined a five-year work program for the CSD.

In 1998, CSD 6 dealt with freshwater management and the Intergovernmental Forum on Forests. In future years, CSD 7 (1999) will include the sectoral theme of Oceans and Seas and the cross-sectoral theme of Changing Consumption and Production Patterns. CSD 8 (2000) is expected to have greater implications for the mining, minerals and metals industry as it will be examining Integrated Planning and Management of Land Resources, Financial Resources, Trade and Investment and Economic Growth, Agriculture, and the reporting of the Intergovernmental Framework on Forests. In addition, the 8th session will showcase a Day of Indigenous Peoples.

United Nations Conference on Trade and Development (UNCTAD) Mineral Resources Forum Web Site

The newly created “Mineral Resources Forum” is an initiative of UNCTAD with financial assistance from the Government of the Netherlands. The UNEP Industry and Environment Centre in Paris is a principal partner in the Forum, which can be found on the Internet at <http://www.natural-resources.org/>.

The Forum is a framework for international cooperation on the theme of minerals, metals and sustain-

able development, bringing together governmental and intergovernmental actors, resource companies and other concerned organizations and persons from civil society. The Forum is structured to encourage interaction among a diverse set of users and to promote an integrated, inter-disciplinary approach to mineral issues and policies, and will cover a broad range of technical and socio-economic issues that arise during the “life cycle” of mineral resources. The three subject areas – Economics, Environment and Society – embrace a whole range of mineral matters that are of worldwide interest or that have general applicability. In addition, there is a General Forum devoted to major cross-cutting issues requiring integrated, inter-disciplinary treatment.

BILATERAL/REGIONAL AND OTHER DEVELOPMENTS

Americas

Third Mines Ministers of the Americas Conference (CAMMA)

The third annual CAMMA was hosted by Argentina in Buenos Aires. Attended by nineteen countries, four more than in 1997 (Colombia, the Dominican Republic, Guatemala and Haiti), it demonstrated the increasing value of this high-level meeting as an effective consultative forum and agency for cooperation among countries of the hemisphere with substantial interests in the minerals and metals sector. CAMMA is noteworthy because it is the only high-level forum that addresses mining and minerals issues in the Americas.

Canadian concepts and approaches to the sustainable development of minerals and metals, including the *Safe Use Principle*, were again acknowledged. The “Pan-American Workshop on the Safe Use of Minerals and Metals” was reflected in the Declaration and its three annexes: a) the conclusions of the government officials meeting held in conjunction with the “Pan-American Workshop on the Safe Use of Minerals and Metals”; b) the conclusions from the three panel discussions at the Preparatory Conference in Lima in July, which include, for the first time, a definition of the safe use of minerals and metals; and c) a list of 17 projects for the 1999 Plan of Action.

A Coordinating Committee with provision for working groups of technical experts from interested countries was created to establish appropriate networks to implement activities in the action plans. This permanent committee will comprise the current Executive Secretariat, the next host country, and a representative from each of North America, Central America, the Caribbean, MERCOSUR countries, and South American countries other than MERCOSUR. For

1998/99, the member countries are Argentina, Brazil, Canada, Cuba, Nicaragua, Peru and Venezuela.

Canada has received financial assistance from CIDA to work in partnership with the Secretariat of CAMMA (1998-2002) to assist in implementing the annual action plan endorsed by ministers.

Pan-American Workshop on the Safe Use of Minerals and Metals

The "Pan-American Workshop on the Safe Use of Minerals and Metals" was held in Lima, Peru, in July 1998. More than 100 people from 14 countries and international organizations participated in this workshop, which was co-sponsored by Canada (with financial assistance from CIDA) and Peru, in partnership with Chile and Argentina. This workshop presented the market, environmental and social context for the theme and then presented the theoretical background for the key approaches of: risk versus hazard; risk assessment and risk management; life-cycle management; and the importance of environmental and social considerations. Case studies demonstrating best practices in production and processing, product use and recycling, environment, and community relations were given the second day.

At a subsequent meeting of government officials, agreement was reached on a definition of safe use, namely: "safe use can be defined as a risk-based approach for the responsible management of minerals and metals at each state of their life cycle (from production, use, recycling, re-use and return to the environment). Its objective is to maximize benefits and at the same time minimize risks, consistent with principles of sustainable development." This definition was endorsed by ministers at CAMMA in November.

Canadian Trade and Investment Mission to Latin America

The Honourable Ralph Goodale, Minister of Natural Resources Canada, led a trade and investment mission to Argentina, Chile and Peru in November 1998. He was joined by representatives of business, Ontario and the Yukon, as well as three Aboriginal representatives. In addition to heading the Canadian delegation to CAMMA in Buenos Aires, Minister Goodale conducted a series of bilateral meetings with his counterparts in each country.

Canada-Chile Memorandum of Understanding

Minister Goodale signed a Memorandum of Understanding (MOU) on Cooperation on the Sustainable Development of Metals and Minerals with his counterpart, Minister Sergio Jiménez of the Republic of Chile. The MOU will establish a framework for further cooperation in support of sustainable develop-

ment and the future use of and trade in minerals and metals in bilateral, regional and multilateral fora. The MOU supports commitments made for trade liberalization and environmental cooperation under the Canada-Chile Free Trade Agreement. The MOU is broad in scope, covering exchanges of information in such areas as law and regulations, science and technology, mineral and metal policy, and the exploration and exploitation of minerals and metals through such means as workshops and the exchange of experts and specialists. Under this framework, Canada will continue to work with Chile to foster the sustainable development and promote the safe use of minerals and metals.

Canada-Argentina Letter of Intent

Minister Goodale signed a Letter of Intent (LOI) with Sr. Alieto Guadagni, Secretary of Industry, Trade and Mining, of the Argentine Ministry of Economy, Public Works and Services. For two countries committed to the sustainable development of the minerals and metals sector, this LOI strengthens an already mutually beneficial level of cooperation that exists within the sector in areas such as sustainable development, primarily through the Mines Ministers of the Americas, and the CANMET-Instituto Nacional de Tecnología Industrial (INTEMIN) national environmental mining laboratory. The LOI goes further to enhance the cooperation between Canada and Argentina through an agreement to explore ways to develop and expand cooperation through such means as information exchanges, official-level discussions, and collaboration on projects of mutual interest with the intention of encouraging increased investment and expanded trade flows between Canada and Argentina in minerals and mining-related goods, services and technology.

Science and Technology Transfer Projects in Latin America

CANMET and CIDA have been working together over the last few years to promote sound environmental practices in the minerals sector of South America. CANMET was involved in technology transfer projects in Argentina, Brazil and Guyana. The focus of these projects is mainly to strengthen institutional capacity through technology transfer and training. Typically these projects include visits to Canadian mine sites and the promotion of linkages between institutions, the private sector and academia.

Canada-U.S. Bilateral Consultations on the Tulsequah Chief Mine Project

In March 1998, the United States asked Canada to refer the Tulsequah Chief mine project, located in northern British Columbia, to the Canada-U.S. International Joint Commission (IJC) for further review of key cross-border environmental concerns raised by

the United States and the State of Alaska. The project, which had gone through a joint federal-provincial environmental assessment (EA), had been approved by both levels of government earlier that month. U.S. federal and Alaskan agencies had participated in the EA process although they had not joined in the recommendation for the project to be allowed to go ahead.

Canada suggested that the United States' concerns be examined through a bilateral consultation process. The two governments – with British Columbia and Alaska participation – met three times over the course of the remainder of 1998 in an effort to bridge their differences. While some progress was made, a mutually satisfactory solution had not been achieved by the end of the year and consultations are expected to continue into 1999.

Europe and Russia

Russia

In April 1998, Minister Goodale visited Moscow. This visit allowed Canada to discuss with Russian officials government and industry concerns about the country's investment climate for minerals. Also in 1998, collaboration by Canada and Russia in the minerals and metals sector intensified with significant progress towards establishing a bilateral mining working group under the auspices of the Canada-Russia Intergovernmental Economic Commission. As the role and membership of the mining working group become better defined, this group should provide a forum to discuss investment climate issues and other matters of mutual interest.

Europe

The year 1998 saw the European Commission moving forward on several key regulatory fronts that are likely to threaten Canadian asbestos and nonferrous metals producers.

Directorate General XI (Environment) sought to advance three proposals on managing waste arising from nonferrous metal-containing products: end-of-life vehicles; end-of-life electrical and electronic equipment; and nickel-cadmium batteries and accumulators. Key metals and metal compounds being targeted for bans or substantial restrictions included lead, mercury, cadmium and hexavalent chromium. The Commission also considered whether to increase restrictions on the use of cadmium in pigments and stabilizers, but a risk assessment led to the conclusion that existing restrictions are sufficient for the moment.

The Commission also moved forward with a proposed ban on asbestos. Although the Commission had subscribed to a controlled-use approach for many years,

most of the members states had instituted bans, and the Commission decided to follow suit in order to promote harmonization.

In a related move, Canada formally announced its intention to challenge a French ban on the importation and use of asbestos using the WTO's dispute resolution mechanism. Unless the parties settle the matter bilaterally, a panel report is expected to be issued sometime in late 1999.

In December 1998, Denmark formally notified the European Commission that it intended to substantially ban all uses of lead and its compounds. The notification was made pursuant to an EU requirement that member states must notify the Commission and other member states if a regulatory action may have implications for EU law or the operation of the European single market. The Commission and member states have three months to respond to the notification.

Canada-European Union Minerals and Metals Working Group

The Canada-EU Minerals and Metals Working Group met in Brussels in June 1998. Key items on the agenda included: *The Minerals and Metals Policy of the Government of Canada* and the *Safe Use Principle*; the EU's recycling program; Canadian international initiatives to promote the sustainable development of minerals and metals; and EU regulatory initiatives focussing on restricting the use of key nonferrous metals in industrial and consumer product applications.

Asia-Pacific

Asia-Pacific Economic Cooperation (APEC)

The Expert Group on Mineral and Energy Exploration and Development (GEMEED), a subgroup of APEC's Energy Working Group, held its third Annual Meeting in Ottawa in May 1998. This meeting had as its theme the sustainable development of minerals and metals.

Significant GEMEED activities and achievements during 1998 included:

- completing the first phase of the APEC Network of Mineral and Energy Data (ANMED), its Internet-based exploration database project comprising a wide variety of member economy information, such as relevant mining and environmental legislation, and geoscientific data related to exploration;
- creating a Sub-Group on Environmental Cooperation, chaired by Japan, with its terms of reference

based on the concept of sustainable development of minerals and metals; and

- the “Environmental Cooperation Workshop for Sustainable Development of Mining Activities” (ECOW’98), held in Chile, which addressed a series of issues related to sustainable development and “clean production.”

GEMEED has become increasingly focussed on the sustainable development of minerals and metals, as shown by ECOW’98 and the creation of the Sub-Group on Environmental Cooperation.

China

In 1998, NRCan co-chaired meetings of both the Canada/China Ferrous Minerals and Metals Working Group and the Canada/China Nonferrous Metals and Minerals Working Group in Beijing. The Ferrous Working Group – co-chaired with the Ministry of Metallurgical Industry – addresses issues concerning iron ore, steel and gold. The Nonferrous Working Group, which addresses base metals and aluminum, is co-chaired with the China National Nonferrous Metals Industry Corporation (CNNC). These meetings provided opportunities to exchange information on each country’s mineral industry and to discuss issues related to business climate and possible areas of collaboration in science and technology. These meetings coincided with a major restructuring of government ministries and the release of the regulations for the *Mineral Resources Law*.

As part of this restructuring, the Ministry of Land and Resources, which is responsible for China’s *Mineral Resources Law*, was created from the policy sector and geological survey of the former Ministry of Geology and Mineral Resources, and other state bureaus. The CNNC became the State Nonferrous Metals Industry Association (SNMIA), a policy and management body that also retains decision-making power over the CNNC’s former “enterprises” during a three-year transition period. As the reforms continue, a number of specialist firms could emerge along the lines of the China Aluminium Group Corporation.

The government promulgated three series of regulations to accompany its *Mineral Resources Law*. These regulations cover exploration and registration of “claims”; registration of mining title; and transfer of mineral exploration and mining licences.

Indonesia

The Canadian Council of Professional Engineers (CCPE) signed an MOU with the Association of

Indonesian Mining Professional (PERHAPI). NRCan organized, in cooperation with the Department of Foreign Affairs and International Trade and with financial support from the Canada-ASEAN Centre, the negotiation and signing of an MOU between the CCPE and PERHAPI. Through this MOU, which was signed in Jakarta in December 1998, the CCPE will assist PERHAPI to develop a framework for the accreditation and licensing of mining engineers and geoscientists in Indonesia.

Arctic

Arctic Council

The Arctic Council, which has been chaired by Canada in its two formative years, held its first high-level meeting in Iqaluit in September. The Council – an Arctic commonwealth that comprises Canada, the United States (Alaska), Greenland/Denmark, Iceland, Norway, Sweden, Finland and Russia – was formed to search for common approaches to social, environmental, health care and cultural issues in the Arctic. The Council gives “permanent participant status” to Arctic indigenous organizations: the Inuit Circumpolar Conference, the Saami Council (based in Finland), and the Russian Association of Indigenous Peoples of the North.

The results of the Council’s deliberations were encompassed in the Iqaluit Declaration, which was signed by all members. Council members agreed on action plans for the next two years. Some activities relevant to the minerals and metals sector were undertaken by the Working Groups:

- The Working Group on the Protection of the Arctic Marine Environment produced a Regional Plan of Action for the Protection of the Arctic Marine Environment from Land-Based Activities, initially focussing on persistent organic pollutants and heavy metals;
- The Working Group on the Conservation of Arctic Flora and Fauna developed a strategic plan for the conservation of Arctic bio-diversity; and
- The Working Group on the Arctic Monitoring and Assessment Program released its Assessment Report entitled Arctic Pollution Issues.

Note: Information in this review was current as of May 14, 1999.