Background
As a follow-up to a conference on "Foreign Direct Investment and the Environment", held in The Hague in January 1999, the OECD is organising a major conference to focus on the mining sector. This event will take place under the umbrella of OECD’s Global Forum on International Investment as a joint activity of the Directorate for Financial Fiscal and Enterprise Affairs and the Environment Directorate. It is part of the ongoing programme of co-operation and dialogue undertaken by the Centre for Co-operation with Non-Members at the OECD.

Objectives
The conference aims to shed further light on the broader linkages between FDI and the environment in a sector, that is of particular importance for the economy in many developing countries, and where environmental concerns have frequently been voiced. It is intended to use the focus on the mining sector to derive broader lessons for the FDI – environment linkage.

The conference deliberations will focus on how best to integrate environmental and investment goals, ensure that environmental protection and investment liberalisation are mutually supportive and explore the significance of voluntary business approaches in encouraging “best environmental practice”. More importantly, by addressing these issues, the conference is expected to provide inputs to the World Summit on Sustainable Development in Johannesburg in September 2002.

Conference Structure and Main Issues
The conference is structured around three main issues:
(i) Environmental performance (broadly defined) in the mining industry, domestic and international, drawing on available empirical evidence, and its importance in overall FDI considerations.

(ii) Policy/institutional frameworks that integrate environmental and investment goals. This session will discuss whether the application of environmental requirements may be considered discriminatory. It will also discuss how the policies required to ensure environmental protection and liberal foreign investment regime can be made mutually supportive. The session will, in addition, examine the positive role that foreign investors can play in contributing to environmentally and socially sustainable development in resource rich countries when the necessary policy/institutional framework is in place and capacity development is achieved.

(iii) Ways of encouraging "best environmental practice" through voluntary commitments from investors. The effectiveness of voluntary schemes promoted by the mining sector (e.g., such as the International Council on Metals and Environment environmental Charter) would be examined in the context of the OECD’s recently revised Guidelines for Multinational Enterprises and related analytical work, and experience in other industrial sectors.

Participants
The conference will bring together a unique mix of more than 100 participants including representatives from relevant OECD committees and working parties, non-OECD country governments, the business community, civil society groups and academia engaged in the investment and environmental aspects of the mining sector. The conference will be open to the media.

For further information
http://www.oecd.org/env/investment/

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Draft Agenda

Thursday, 7 February 2002

9:00-10:00 Opening Session

Co-chairs: William Witherell, Director of OECD Directorate for Fiscal, Financial and Enterprise Affairs and Joke Waller-Hunter, Director of OECD Environment Directorate

Opening Remarks

- Seiichi Kondo, Deputy Secretary-General of the OECD
- Douglas C. Worth, Secretary General of the Business and Industry Advisory Council to the OECD

10:00-13:00 Session 1: Foreign Direct Investment and Environment Linkages in the Mining Sector

Chair: Lyuba Zarsky, Director of the Globalisation and Governance Programme at Nautilus Institute, USA

This session aims to set the stage for the conference through presentation and discussion of empirical evidence that highlights the FDI-environment linkages in the mining industry.

Keynote speeches:

- Economic and environmental aspects of the mining industries, Caroline Digby, Minerals and Metals Sustainable Development (MMSD), United Kingdom
- Questions and answers

10:30-10:45 Coffee break

Panel Discussion:

- FDI-environment linkages in the Chilean and Peruvian mining sectors, Ms. Nicola Borregaard, Centro de Investigacion y Planificacion del Medio Ambiente (CIPMA), Chile
- OECD country government perspective, Phillip Glyde, Environment Australia
- NGO perspective, Mr George Awudi, Friends of the Earth Ghana
- Non-member country government perspective, Mr Hikman Manaf, Department of Energy and Mineral Resources of Indonesia
- UNEP perspective, Wanda Hoskin, Senior Programme Officer for Mining

13:00-15:00 Lunch
15:00-18:00 **Session 2: Policy and Institutional Responses**

*Chair:* Michael Roeskau, Director, OECD Directorate for Development Co-operation

The discussions in this session will focus on the policy frameworks that help to ensure high levels of environmental performance in mining FDI. This will include discussion of best practices in regulating these sectors and span to more general issues of importance to these sectors such as fiscal and land tenure policies. The problem of potential conflict between investment and environmental disciplines will also be directly addressed through a discussion of the issue of non-discrimination of (foreign) investors. The session will illustrate how investment and environmental disciplines can be made mutually supportive.

**Keynote speeches:**

- Best practices in regulating the mining industry and policy options, John Strongman, Mining Advisor, the World Bank/IFC Mining Department

**Panel Discussion:**

- Lessons for Policy: The Case of the Baia Mare mine spill in Romania,, Tom Garvey, Chairman, International Task Force for Assessing the Baia Mare Accident
- Lessons from FDI in mining in Sub-Saharan Africa, Colin Boocock, Consultant, South Africa
- The issue of non-discrimination in the mining sector, Konrad von Moltke, International Institute for Sustainable Development (IISD), Canada
- The role of FDI source countries, Roger Platt, Foreign and Commonwealth Office, United Kingdom,
- Perspective from a non-Member country government, Mr Nok Frick Geoscience, Council of South Africa

18:00 Cocktail reception

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**Friday, 8 February 2002**

9:30-13:00 **Session 3: Business Responses to the FDI-Environment Challenges**

*Chair:* Marinus Sikkel, Chairman of the OECD Committee for International Investment and Multinational Enterprises, Ministry of Economy, The Netherlands

Discussants will elaborate on the scope for voluntary approaches for providing an improvement to the environmental performance of FDI and its role towards domestic regulation. The discussion would touch upon the *OECD Guidelines for Multinational Enterprises*, voluntary business or non-governmental codes.
Keynote Speeches:

- The role of voluntary approaches in the mining and forestry sectors, Peter Börkey, OECD Environment Directorate
- Moving towards healthier governance frameworks in FDI host countries – the role of the extractive industries, Kathryn Gordon, OECD Directorate for Financial, Fiscal and Enterprise Affairs

Panel Discussion:

- A business perspective on the role of voluntary approaches in the mining sector, Jay Hair, International Council for Metals and Mining (ICMM)
- German initiative to develop environmental guidelines for foreign investors, Dr. Ulf Jaeckel, German Ministry of the Environment

11:00-11:45 Coffee Break

Panel Discussion continued:

- NGO perspective on the OECD MNE Guidelines, Patricia Feeney, Oxfam
- Non-OECD country perspective, Mr Roberto Villas Boas, Technology Mining Center – CETEM, Brasil

13:00-15:00 Lunch

15:00-16:00 Concluding Session: Policy Messages

Co-chairs: William Witherell, OECD DAFFE and Joke Waller-Hunter, OECD ENV

- Reports from rapporteurs: Richard Sandbrook, International Institute for Environment and Development, United Kingdom and Pradeep Mehta, CUTS Centre for International Trade, Environment & Economics, India

- Discussion

- Forward-looking messages