

Five Points About MMDA

- 1. Ours will be a model of an agreement between a mining company and a host company's national government.** We recognize it will have to link to a number of other instruments, one of which might be a Community Development Agreement, but at this stage we are focused only on the agreement between the host country and the company, and not on what these other agreements might contain.
- 2. This is a mine development agreement.** We recognize that it is considered by some to be very useful to have an earlier agreement, which covers the exploration stage. It might in some cases be essential to success; but, the current effort will not produce an exploration stage agreement. It will, if successful, produce a model mine development agreement.
- 3. Our purpose is to look at existing agreements** and to develop a model agreement that will be composed mostly of the most useful clauses -- 'best practice' – from such agreements. Some references will be made to the IFC's Performance Standards, the EITI, the VPSHR, or other recognized sources of authority in order to fill in gaps on important issues like human rights but, to the extent we can, our effort will focus on drawing from what exists, rather than creating something entirely new; we do not intend to embark new drafting unless there are obvious pieces missing. We will clearly have time to discuss and think about what parts are missing, or need to be improved.
- 4. The MMDA will not be prescriptive** in the sense of setting out a standard form that we think ought to be drafted. Rather, it will provide an agenda for negotiations based on a sustainable development objective that is common to all parties and has utility for a broad range of circumstances. It will therefore allow for easy deletion or substitution of what may be contentious or undesired clauses, such as dispute resolution, and it will allow for the addition of new best practices as they are developed.
- 5. Format.** On most important subjects, we anticipate having several alternative clauses, in recognition of the considerable differences in circumstances, and of the variety of opinions as to what is best.