Key themes: Global Way Forward on Mining (current strategic priorities in WB programs)

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Key global trends - as context

- Commodities demand – especially from emerging markets (BRICs) - is expected to remain strong in medium term
- BRIC companies are increasingly investing in extractive industries abroad - changing the traditional “playing field”
- But despite the rise in fiscal revenues, many governments believe benefits are not being shared equitably
- Hence patterns of resource nationalism remains high
- Related to this, minimizing local conflict, particularly around mining areas, play an important role in overall agenda
- Climate change agenda puts spotlight on use of fossil fuels
- ... even while agreement that responsible exploitation of natural resources remain a value means to development
Governments seek a better national return from extractive resources

- Mining sector saw negotiation of new frameworks to share growing revenues e.g.:
  - resource rent taxes (Chile)
  - windfall profits taxes (Mongolia)
  - sliding scale royalties (Ghana, Afghanistan)
  - renegotiation of contracts “deemed to be unfair” (many countries)

- Same pattern in petroleum-producing countries – issues of windfall profits in many countries (including OECD)

- Competition for resources – and non-traditional investment sources from newer investor countries
Benefits at community level are also a major concern

Strong concern at community and sub-national too ....

- issues of local economic development: employment and integrated infrastructure development
- viable society/community/environment after closure
- proactive skills development in labour force and community
- support for capacity building for local governance, environmental management and social development

Fiscal issues are also an important issue at community level .....  
- distribution of revenues: how much back to the community?
World Bank priorities in this context

- Help strengthen regulatory frameworks and good governance and transparency for investment
- Help build capacity on mining governance issues
- Help country to negotiate optimal and equitable mining projects – where mining benefits do reach poor people
- Mitigate environmental and social risks
- Help protect the rights of people – especially women - affected by mining operations, and engaging with CSOs
- More broadly in SDN: promote efficiency and reduced GHG emissions in mining to combat climate change
Hence the WB view of key themes on global way forward on mining

- **Governance and transparency** – standards, norms and sound legal/fiscal policies to attract investment

- **Capacity development** – practical help to policy makers (incl. peer learning; south-south exchanges)

- **Equitable benefit sharing** - help with negotiation of sound mining projects with benefits for affected citizens

- **Long-term sustainability** – effective mitigation of environmental and social concerns and risks

- **Protecting affected people** – especially women and community and indigenous groups affected by mining

→ partnership and collaborative working is the key
The EI value chain helps shape WB’s work in mining - provides overarching guiding principles for advisory and TA work

Work done via lending operations, technical advisory services, analysis/publications - and key global programs and partnerships

Latter global programs include EITI and EI-TAF focused on mining
WB work: Supporting better governance along the EI value chain  (2 of 3)

- building sound legal, fiscal, and regulatory frameworks
- capacity building to put in place modern cadastre systems, licensing systems and institutional frameworks
- institutional capabilities to ensure investor compliance with applicable laws and regulations and protect investor rights
- transparent and efficient revenue collection capabilities to maximize the generation of revenues over time
- effective revenue management of mining revenues to contribute to national socio-economic development goals
- benefit sharing agreements with regions/communities
- sound environmental and social protection framework and procedures – to ensure local communities benefit from mining operations (and are not burdened by mining)

➔ in sum, to help ensure mineral wealth is a blessing not a curse
WB role: Global Programs And Partnerships in mining  (3 of 3)

The Oil, Gas and Mining Policy Unit manages various donor-funded global programs and partnerships - listed below

- The first three work extensively in mining

  - Extractive Industries Transparency Initiative (EITI)
  - Extractive Industries Technical Advisory Facility (EI-TAF)
  - Communities and Small-scale Mining Partnership (CASM)
  - Global Gas Flaring Reduction Partnership (GGFR)
  - Petroleum Governance Initiative (PGI)