

MINERAL GOVERNANCE

Resource-rich countries face both an opportunity and a challenge for their long-term development. Resources have the potential to foster development and prosperity when they are well managed. On the other hand, if they are used poorly or squandered, they can have detrimental consequences such as economic instability leading to or fueling conflicts, incentives to corruption or drastic environmental impacts.

Social scientists, politicians and development cooperation specialists have analyzed this paradox, inquiring on how to best manage resources so that the potential benefits from their exploitation to development can be maximized. In other words, how can the so-called resource curse be overcome and how can the negative socio-economic and environmental consequences of resource extraction be better coped with? Experiences around the world over the last two decades – notably as a response to the commodity super cycle – have shown that, all too often, the transformation of resource wealth into prosperity fails. This happens not only because of a lack of the correct economic policies, but mainly because of a weak underlying system of governance.

A comprehensive and inclusive national strategy with a clear legal framework and competent institutions has been identified as one fundamental precept applied by countries that successfully realized the development potential of natural resource wealth. The design of such a strategy requires – other than an understanding of the economics – an appreciation for accountability, the structure and capability of

government institutions, and a relationship with civil society. Demands from the latter, in terms of increasing the positive spillovers from extraction activities into the corresponding local economies, greater transparency in the management of extractive industries' revenues, enhanced CSR initiatives linked to development plans and a more participative resource governance, have also been echoed in the current debate on the extractive sector and its related development cooperation agenda.

Fostering responsible mining practices is the core field of work of Projekt-Consult, a member of GFA Consulting Group. Since its foundation in 1979, Projekt-Consult has been implementing technical assistance projects with a variety of stakeholders such as ministries of mining, geological surveys, mining companies and local mining associations, all involved in the extractive sector. Our services encompass technical solutions, capacity building and strategic advice on issues such as artisanal mining, or the environmental and social dimensions of resource extraction. Conscious of the development implications of good governance in the mining sector – its role in current development cooperation dynamics – and having observed that the absence of good mineral governance is a key issue in many of our projects, Projekt-Consult has developed a comprehensive range of services for improvements in this field.

Our services in good mineral governance address various types of governmental mandates related to mineral resources.



1. SETTING A LEGAL AND POLICY FRAMEWORK

Projekt-Consult has 40 years of professional experience and from over 50 mining countries. This helped us developing adequate strategic, policy and legal frameworks as a premise for long-term and sustainable mining sector growth at all levels – from large-scale to artisanal and small-scale mining. The related processes entail modern approaches to maximize public benefits from mining activities.

2. STRENGTHENING ORGANIZATIONS AND INSTITUTIONS

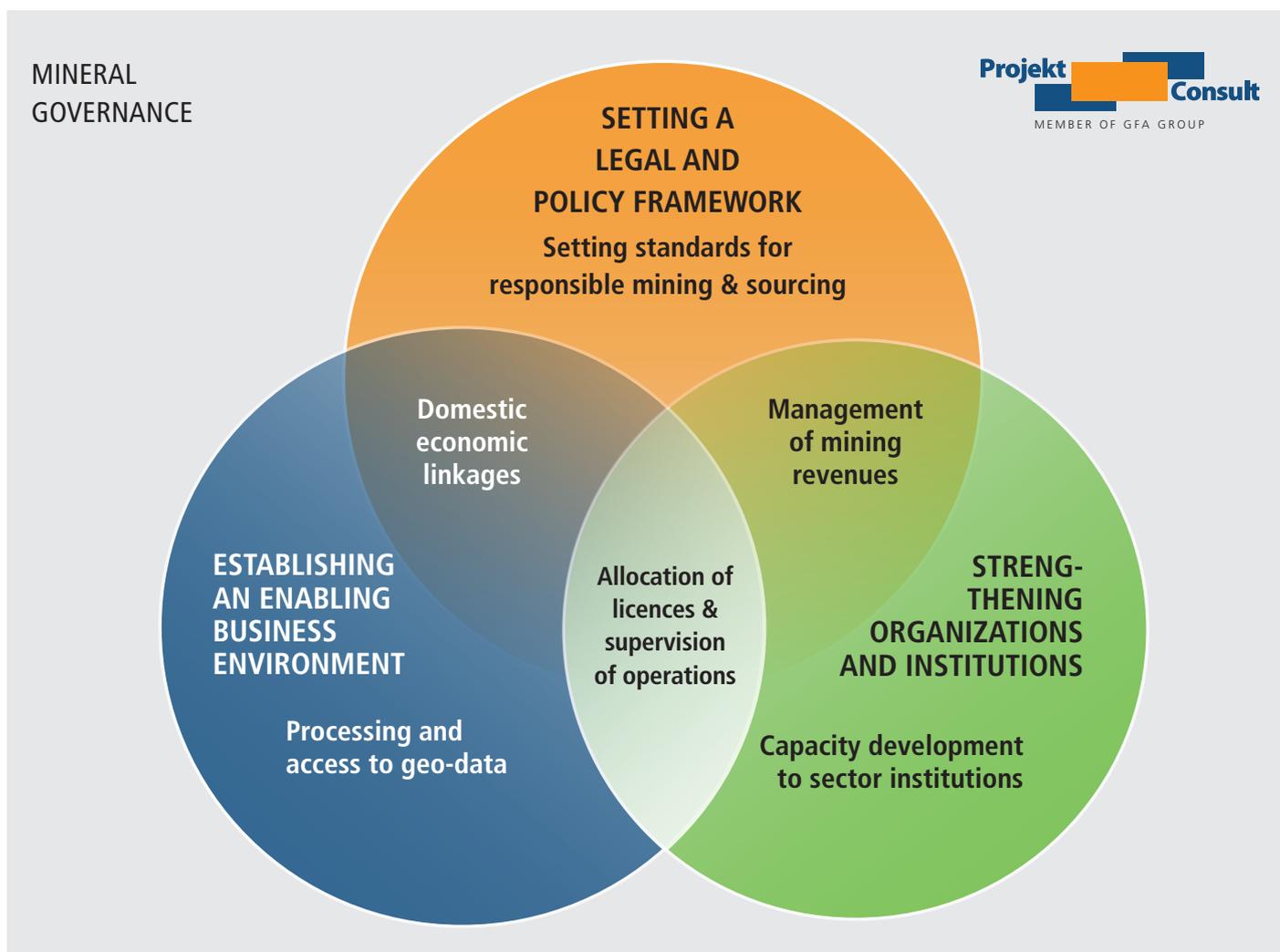
Our interdisciplinary team not only focuses on mining and other sector ministries, but also on regional development agencies, geological surveys, mining and environment departments and inspection services at the national and subnational levels. This scope includes regulatory, normative and control functions of public institutions and their coordination in order to embed the mining sector in overall national development. Aware of the advocacy power of civil society organizations active in the mining sector and their role as accountability actors, we have also

contributed to their strengthening, in particular through training in mineral governance, including transparency, gender issues and institutional and legal frameworks.

3. ESTABLISHING AN ENABLING BUSINESS ENVIRONMENT

We contribute to establishing a competitive business environment by promoting business opportunities and regional harmonization of legal frameworks, establishing public business services, setting incentive frameworks, streamlining administrative procedures and reducing barriers. We have also set up networks, platforms and trade shows of stakeholders in the mining sector to promote exchange of experiences, cross learning and business opportunities between countries and regions.

In many of our projects and studies, we are working in several intervention areas and with a variety of counterparts.



In 40 years of technical assistance, the following specific services for improving governance in the mineral sector have evolved:

■ LICENSING PROCEDURES

The Projekt-Consult team assists public partners at the national, regional and local level with titling and licensing of mining operations. With a particular focus on the small-scale mining sector, we address the stipulations of mining laws, environmental and labor laws and other relevant regulations, and we liaise between public and private partners.

■ STANDARDS FOR RESPONSIBLE MINING PRACTICE

Projekt-Consult supports governments, donor agencies, and the private sector in outlining programs and measures to establish best practices in traceability, accountability, social and human rights standards, labor conditions, occupational health and safety as well as environmental management and community relations. We support companies in complying with national and international, legal and ethical standards. This includes audits and support during certification processes.

■ SUPERVISION OF OPERATIONS

In this field, our experts strengthen public institutions such as inspection services, mines rescue services or environmental boards related to the supervision of mining operations. We empower them to implement national and regional laws and regulations. A special focus is on occupational health and safety, environmental compliance and legalization of operations.

■ MANAGEMENT OF MINING REVENUES

Supporting ministries of finance, audit institutions and tax authorities at the national and sub-national level is one of the major business fields of GFA Consulting Group. In mining countries, GFA public finance experts cooperate with mining specialists from Projekt-Consult in a broad range of services that respond to the specific needs of cooperation partners.

■ GEO-DATA

We support geo-sector institutions in partner countries in providing advice and training related to upgrading geological information on deposits and mine tail-



ings as well as re-assessing the economic viability of investment opportunities. In combination with partner geo-surveys, respective data are further processed in project profiles and packaged for investors. This assists our partners in providing the private sector with relevant and demand-oriented geo-data.

■ DOMESTIC ECONOMIC LINKAGES

In order to exploit the powerful potential of mining for inclusive economic development it is essential to add domestic value to mineral exploitation and to embed mining operations into local and regional economic contexts. We support the formulation of national strategies for the promotion of local content in the mining sector, and we provide assistance in extending domestic value chains and in creating linkages between local companies and mining operators. Our services range from collection and analysis of data on local suppliers, subcontractors and potential economic niches in mining areas, to access to finance services and support to domestic mineral processing.

■ RESPONSIBLE SOURCING

One of our key competencies is the promotion of mineral trade in line with current due diligence standards, and compliance with legal and ethical norms. This includes the development and formulation of related guidelines at producing and importing country level, auditing and assistance to certification. We also contribute to international responsible mineral trade discussion fora such as the OECD working group on "Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict Affected and High-Risk Areas".

PROJEKT-CONSULT AT WORK



STRENGTHENING LOCAL CONTENT AND WOMEN EMPLOYABILITY IN MALI, GIZ, 2017-2019

The study on the impact of mining activities on sustainable development to improve employment and local labor force in Mali focuses on the mining regions of Kayes and Sikasso. Within this framework, and based on a comprehensive analysis of the economic, social and environmental situation in the mining sector, strategies will be developed to increase employability, local labor force and professional positioning, particularly for women. An updated database will be developed, including exploitable information on mining companies, suppliers, local subcontractors, goods and services offered, among others.

TRAINING FOR CIVIL SOCIETY ORGANIZATIONS IN IVORY COAST ON GOOD RESOURCE GOVERNANCE, GIZ, 2017-2018

The objective of the project was to empower CSOs in Côte d'Ivoire to fulfil their advocacy role for better governance in the extractive sector. Projekt-Consult has produced an easy-to-use training program to train CSO members with non-technical training in mining on topics related to mining governance, adapted to the Ivorian context (legal, institutional, geological, etc.) and has organized training on this basis. A total of 66 people were trained in mining governance issues during five training courses and approximately 150 people were sensitized.

DEVELOPMENT OF A MAURITANIAN MINING STRATEGY, GIZ, 2017-2018

Projekt-Consult developed a comprehensive conceptual report and operation plan for the development of the national mining strategy, aligned with the country's development framework and the strategic axes of the African Mining Vision. An operation plan specified and prioritized the activities relevant

for the development of the Mauritanian mining sector. It encompassed the geological potential, governance and mineral economics, fiscal aspects, legal and regulatory framework, environment and work safety, and institutional capacity building. Also artisanal gold mining, its role and main issues, such as formalization were comprehensively considered.

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STRATEGIC DIALOGUE ON SUSTAINABLE RAW MATERIALS FOR EUROPE (STRADE), EU, 2016-2018

Using a dialogue-based approach, the project brought together governments, industry and civil society to formulate policy recommendations for an innovative European strategy on future EU mineral raw-material supplies. The project held environmental and social sustainability as its foundation in its approach to augmenting the security of the European Union mineral raw-material supply and enhancing competitiveness of the EU mining industry. STRADE included three areas of intervention:

1. effective EU cooperation strategy with resource-rich countries;
2. internationally sustainable raw-material production & supply, including the analysis of due diligence and certification systems and;
3. strengthening the European raw-materials sector.

CONTACT

Projekt-Consult GmbH

Moritz Lörchner

Phone: +49 40 60306 740

E-mail: moritz.loerchner@projekt-consult.de

www.projekt-consult.de

