



## MINING FOR SUSTAINABLE DEVELOPMENT

### CATALYSING CHANGE THROUGH MULTI-STAKEHOLDER DIALOGUE AND COLLECTIVE ACTION

Mineral endowments have been a developmental blessing for many countries the world over. At the same time, an estimated 680 million people in resource-rich countries still live on less than USD 2 per day.

For these people, wealth in mineral resources has failed to deliver what it has promised: sustainable economic and social development that benefits the many, not only a few. Opacity and a lack of mutual trust have contributed to an environment that does not enable multi-stakeholder dialogue and action. But change is possible, and a better future is within reach.

#### Overcoming the 'Resource Curse'

In recent years, demands for greater accountability of the mining sector and stakeholder commitment to transparent and accountable operations have gained momentum. Some encouraging progress has been made:

- the number and ambition of voluntary and mandatory regulatory frameworks is growing;
- disclosure listing rules are on the increase;
- enforcement of foreign bribery laws is being strengthened;
- governments, mining companies, industry associations, bi- and multilateral institutions and civil society increasingly recognise multi-stakeholder engagement as key to a successful mining sector.

Efforts to stimulate debate on how a country's natural resources should be managed have to date largely focused on revenue transparency, calling for disclosure of contracts and government income from the extractives sector.

This work is still important. But the problem needs to be tackled at its roots: a lack of transparency and accountability in the first stage of the mining value chain when mining permits and licences are granted, and contracts are negotiated.

#### Mining for Sustainable Development

Led by TI Australia, Transparency International's 'Mining for Sustainable Development' programme seeks to enhance the contribution of mining to sustainable economic and human development through a focus on enhanced transparency and accountability in the award of mining-related permits, licences and contracts across a range of national jurisdictions.

The programme engages with a wide range of stakeholders to create an enabling environment and seeks to positively influence practices in the mining sector. Participating TI Chapters and their local partners in countries of implementation work together to ensure that:

- **governments** adopt, enable and enforce effective transparency and accountability policies, procedures and practices;
- **civil society and affected communities** can access, interpret and monitor information and decisions relating to the allocation of mining permits, licences and contracts.
- **operating companies** and their affiliates adopt, implement and enforce relevant international transparency and accountability standards in their operations.

"Mining offers the opportunity to catalyse broad-based economic development, reduce poverty and assist countries in meeting internationally agreed development goals." (UN General Assembly, Res. 66/288, July 2012)

## Creating Change

Building greater knowledge and understanding of the risks and impact of corruption at the permits, licensing and contracts stage of the mining value chain will be a critical first step to tackle the 'resource curse'.

In a 2-year multi-stakeholder consultation process, TI has developed a **global change framework** to help address this challenge. Within this framework, **country projects** are considered to play a key role in creating change at the national level.

Country-level activities focus on **expanding context-specific knowledge** through targeted research, risk mapping and multi-stakeholder dialogue. TI Chapters take the lead in strengthening local partnerships and stakeholder relationships, **creating a climate of trust and mutual accountability**. Building an evidence base for raising awareness of key challenges among relevant stakeholders is understood as a first step towards:

- encouraging **changes in policy and behaviour** of government and industry stakeholders;
- developing **practical solutions** that set in motion a change in practice, and help close critical accountability gaps;
- creating **space for monitoring** the implementation and enforcement of agreed transparency and accountability standards;
- positively impacting the mining sector's **contribution to long-term economic and human development**.

Existing global tools and frameworks are used as a resource for national-level work, and adapted as necessary to local contexts to ensure the relevance and value-added of interventions. In turn, TI Chapters and their local partners share relevant knowledge and lessons learned, and by doing so provide valuable input for exchange of 'good practice' and advocacy at a global level.

## Phased Approach

The programme is initially planned to run over five years, divided into two phases.

**Phase I:** TI Chapters in approx. 20 countries that have mining as a key sector in their economy undertake institutional and context analysis at the national level. Country-specific analyses will include an inventory of national-level permit, licensing and contract negotiation frameworks and practices, a stakeholder map, a political economy analysis, and a corruption risk map. This foundational analysis provides the evidence necessary to develop, in a multi-stakeholder process, in-depth country action plans in a select number of countries.

Concurrently, the programme undertakes stakeholder and corruption risk mapping at the global level to further inform strategic activity design and implementation. National level reports and global mapping will provide the basis for the development of a global advocacy strategy.

**Phase II:** Based on national multi-stakeholder action plans and a global advocacy strategy, activities in phase II focus on positively influencing changes in policy as well as the attitude and behaviour of stakeholders to increase transparency and accountability in the award of mining-related permits, licences and contracts.

National activities will support ongoing interventions at the global level – strengthening existing international initiatives and standards, ensuring the programme's value-added and maximising the scale of impact.

## Sustainable Impact

Change in policy and behaviour has a high potential for creating sustainable impact, enabling:

- **governments** to create the space for improved sustainability of their country's economic, social and environmental development;
- a level playing field for **business** through better governance and corruption control systems;
- **companies** to enhance relations with their beneficiaries for improved social investment; and
- strengthened engagement of **civil society** and community organisations to demand people's rights and improved development outcomes.

Innovative tools and approaches for ensuring transparency and accountability that are developed through the programme will be available for continued use by industry, government and civil society stakeholders, creating important potential for scale beyond the current programme.

## One Movement, One Vision

The 'Mining for Sustainable Development' Programme is coordinated by **TI Australia**, supported by TI's International Secretariat and advised by a small **consortium of TI Chapters** that have been closely involved in the development of the programme. **Local TI Chapters** will lead programme work within their own countries.

**Partners within the rapidly growing extractives governance space** will include governments, mining companies, national and international industry associations, relevant global and regional institutions and initiatives, national and international NGOs, community-based organisations and local and indigenous communities.

## How to Engage

Support for the programme is being sought from interested governments, industry stakeholders, foundations and international institutions that are comfortable working on the basis of a multi-donor portfolio funding arrangement. **Your contribution will help us provide support to millions of people** who do not yet benefit from their country's natural resource wealth. **For more information, contact:**

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