

# Mining: Partnerships for Development toolkit

Dave Baker

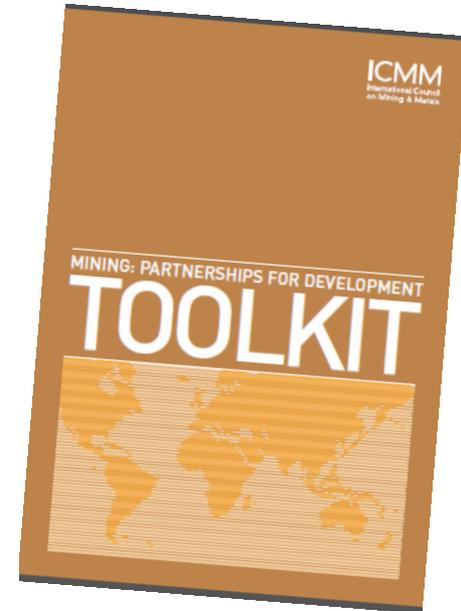
15<sup>th</sup> December 2011, World Bank, Washington, DC



# What is the MPD toolkit?

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- A framework for understanding and enhancing economic and social impacts of mining
- Applied in nine countries since 2006
- 3<sup>rd</sup> version of the MPD Toolkit issued in July 2011
- Provides a systematic approach to:
  1. measuring economic & social impacts
  2. providing practical partnership tools for addressing capacity limitations
  3. designing in-country workshops to foster multi-stakeholder partnerships



Available at  
<http://www.icmm.com/mpdtoolkit>

The Toolkit seeks to

- understand actual or potential impacts of mining (negative and positive)
- improve those impacts including through partnership approaches to addressing capacity limitations (in governments AND companies)

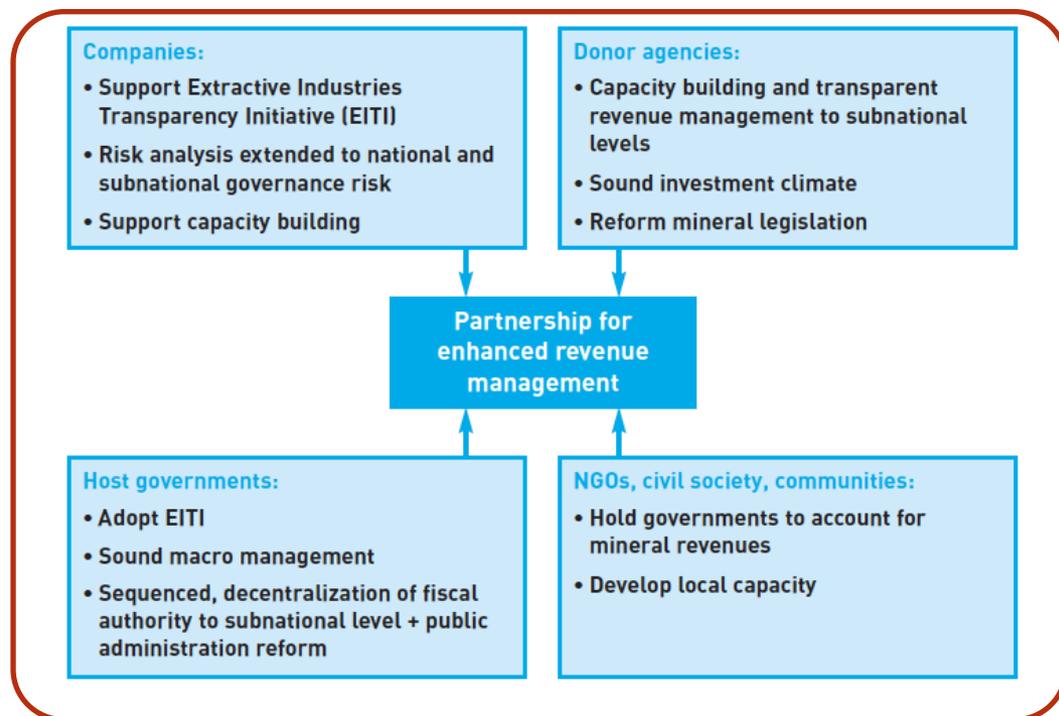
# Toolkit application leads to partnership action

- The toolkit provides the basis for rich discussion at multi-stakeholder workshops
- Workshops lead to action plans based on cross-sector partnership
- Toolkit application in Peru led to a number of positive development outcomes:
  - Strengthening mining policy
  - Increased government focus on poverty reduction
  - Building institutional quality now high on govt agenda
- UNDP and Africare among development bodies engaged in follow-up action



# Ultimate aim: enhancing mining's contribution

- Each new application broadens evidence base for understanding mining's impact
- Enables systematic comparison of impacts across mineral-dependent countries
- Improving outcomes for communities is a shared aim for industry, government and the development community



Example of partnership action on mining and revenue management, as identified by MPD toolkit

# Toolkit developed via robust independent process

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- Toolkit developed at arms length from ICMM: consultants had the 'last word'
- Significant input from the World Bank (and UNCTAD) in development of original version of toolkit
- Country case studies undertaken independently with local NGOs (Peru), academics (Ghana and Tanzania), governments (the Lao PDR)
- ICMM meetings in-country with community advocates, NGOs, faith groups often with anti-mining agendas to brief them and invite them to attend the in-country workshops
- In-country workshops designed to allow anxieties of stakeholders at local, regional and national levels to be raised, discussed and action plans developed

# Application in Lao PDR (2010)

Context:

## Government

- anxious to avoid the “resource curse”
- seeking more downstream processing

## Communities

- concerns over environmental damage

## Donors

- anxiety over revenue management



**Application of Mining: Partnerships for Development Toolkit**

# Headline findings on mining's impacts in Lao PDR

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- 80% of FDI since 2003 has come from mining
- Mining provides 45% of total exports
- The sector generates 12% of government revenues
- Two largest mines expected to contribute around 10% to GDP on average over the next 14 years
- 30,000 people are economically dependent upon the two mines
- Need for greater government capacity to spend growing mining revenues effectively
- Need to enhance positive spillovers from mining

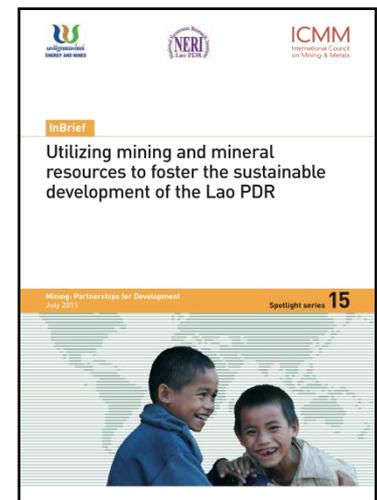
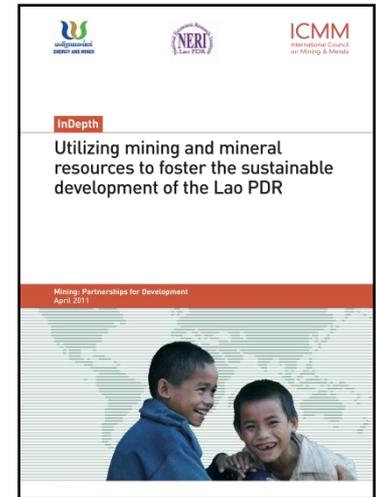
# Inclusive approach to encourage buy-in to toolkit

- Initial briefing meeting with NGOs to explain purpose of toolkit
- Regular briefings with senior government figures during analytical phase
- Collaboration with Chinese academic to demonstrate credibility and objectivity
- Reports in three languages sent out ahead of workshop
- Government presented economic data and co-chaired the 150 person multi-stakeholder workshop



# Outcomes of toolkit and workshop in Lao PDR

- Positive impact on the resource nationalism debate
- Defensible and credible analysis of the sector's socio-economic costs and benefits
- Greater in-country collaboration - MMG, Rio Tinto, PanAust
- Created broad forum for government, community, NGO and donors/development banks to talk about the sector and set priorities – mining and revenue management ranked by participants as #1 priority
- Improved government analytical capacity and therefore less disinformation in country on mining's economic and social contribution



For further information  
please contact:

[info@icmm.com](mailto:info@icmm.com)