



# IGF

INTERGOVERNMENTAL FORUM  
on Mining, Minerals, Metals and  
Sustainable Development

**2018 IGF  
ANNUAL  
REPORT**



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**The Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development (IGF) supports 69 countries committed to leveraging mining for sustainable development to ensure negative impacts are limited and financial benefits are shared.**

We are devoted to optimizing the benefits of mining to achieve poverty reduction, inclusive growth, social development and environmental stewardship.

We focus on improving resource governance and decision making by governments working in the sector. We provide services to members that include: in-country assessments, capacity building, individual technical assistance and guidance documents. Our flagship event is our Annual General Meeting, where members have the chance to share best practices and engage with industry and civil society.

These efforts are largely framed by our Mining Policy Framework, a policy guidance and assessment tool that sets out international best practices in six thematic areas: the legal and policy environment, financial benefit optimization, socioeconomic benefit optimization, environmental management, post-mining transition, and artisanal and small-scale mining.

The International Institute for Sustainable Development has served as Secretariat for the IGF since October 2015. Core funding for the Forum is generously provided by the Government of Canada.



# A SUCCESSFUL

2

TRAINING SESSIONS  
RESULTING FROM  
THE ASM GUIDANCE  
DOCUMENT

4

GUIDANCE  
DOCUMENTS

6

NEW MEMBERS

6

NEW PARTNERSHIPS

9

WORKSHOPS

2018

16

TOTAL  
PARTNERSHIPS

69

MEMBERS

400

PARTICIPANTS AT AGM



IGF  
OSCAR  
TEMPER BETA KAYOLA

IGF  
PAUL  
GARDON

IGF  
ISSAKA  
DUSMAN AL GADAM  
TOMAS

# MESSAGE FROM THE EXECUTIVE COMMITTEE CHAIR

Mining can be a major force for combatting poverty, which is why our work—leveraging the benefits of mining for sustainable development and environmental management—has never been more vital. We have matured into a global leader that has established best practices for using the wealth generated by natural resources and mining to improve a nation’s economy while achieving its sustainable development goals.



I am proud of all that we have achieved this year. We have shared our knowledge and experience in connecting mining and sustainable development with countries around the world, especially in Africa and South America. But perhaps more importantly, because of how we work, we have also created spaces for countries to learn from each other, so knowledge is strengthened by experience.

I would like to welcome this year’s newest members: Afghanistan, Colombia, Lao People’s Democratic Republic, Saudi Arabia, Sudan and Thailand. We are starting to build our presence in the Middle East and Asia, where we are becoming known as a good partner for improving the mining industry.

Governments join the IGF because we deal with the issues that matter to them. We help governments assess their policy frameworks to identify gaps and build on opportunities.

Then, with our help, members can design a mining regime that attracts investment and ensures benefits are shared. Our workshops are designed to build capacity, so members learn how to develop and implement programs that meet their evolving needs.

Our Annual General Meeting remains our flagship event. It continues to grow every year, attracting government representatives, industry associations and company delegates. This unique event is a rare opportunity for collaboration among governments, civil society and mining companies, to ensure the establishment of mining legacy frameworks that are accountable, equitable and innovative. This year’s event was a huge success. Over 400 people representing 75 countries registered, and all attendees received comprehensive material from the presentations and discussions to take back to their governments.

Next year, we will launch our Guidance for Governments on Environmental and Social Impact Assessments (ESIAs). This is our fourth guidance document, and it will help governments align their ministry of environment with their ministry

of mining. This is a critical step in addressing the environmental impacts of mining, because it will mean the two ministries are speaking the same language and collaborating over common ground. We will also review our work to date and enhance our practical guides by introducing new principles for improving gender imbalance, preventing child labour and ensuring community participation.

And, of course, I look forward to our 15th Annual General Meeting, which will run from October 7 to 11, 2019.

Alexander Medina Herasme  
Chair, Executive Committee

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## EXECUTIVE COMMITTEE MEMBERS

- Alexander Medina Herasme, Dominican Republic (Chair)
  - Gudrun Franken, Germany
  - Vincent Kedi, Uganda
  - Rokhaya Samba Diene, Senegal
  - Roberto Sarudiansky, Argentina
  - Mandakhbat Sereenov, Mongolia
  - Greg Radford (head of Secretariat, ex officio member)
-

## REPORT FROM THE IGF SECRETARIAT



Every country in the IGF is different. Each of our members has a context—a combination of geography, climate, history and political circumstances—that is uniquely its own. However, our 69 members all have one thing in common: a commitment to making sure that mining’s benefits are not just shared but leveraged for sustainable development.

That is why we are thrilled to report that we have had another successful year of sustained membership growth, as we are finding that our Mining Policy Framework is meaningful in all regions of the world.

Indeed, many of this year’s new members come from regions where we are still building a presence. In Asia, for example, we welcomed new members Lao People’s Democratic Republic and Thailand and delivered our first regional workshop (see page 8). We also expanded in the Middle East, welcoming Saudi Arabia and Central Asia with Afghanistan’s membership. And we have continued to build in areas where we are more well known. We added to

our strong presence in Africa, where we were joined by Sudan, and in South America, where the addition of Colombia has brought us closer to counting every country on the continent as a member.

Our capacity-building workshops, which are anchored by our best-in-class knowledge products, continue to be a main draw for our members. This year, we published several documents that are informing the global discussion on mining and development and shaping mining policies for the better.

In March, we delivered our study on mining and innovation to the Prospectors and Developers Association of Canada (PDAC) International Mines Ministers Summit (IMMS) (see page 15). Our report concludes that innovation is the key to staying competitive and maintaining a social licence to operate, and it recommends ways in which countries can nurture a culture of innovation in the mining sector.

After publishing our first Guidance for Governments in 2017, Managing Artisanal and Small-Scale Mining (ASM), this year’s focus was on delivering regional and capacity-building workshops where government representatives learned how to apply the guidance to their national contexts. We also provided new research

on the link between gender and ASM and ensured that our ASM workshops would be gender balanced by continuing to promote and support the participation of women active in the sector.

We published our second Guidance for Governments this year, which focuses on Local Content Policies, and we are preparing to host a series of capacity-building workshops on the guidance in 2019. This document is a comprehensive guide for ensuring that mining leads to sustainable development and includes a broad range of case studies from countries around the world. Many of our members are reviewing their mining policies to determine how they can better exploit mining’s powerful potential, so this meets a critical need among our membership.

On behalf of the IGF Secretariat, I would like to thank the Government of Canada and our members for their continued support.

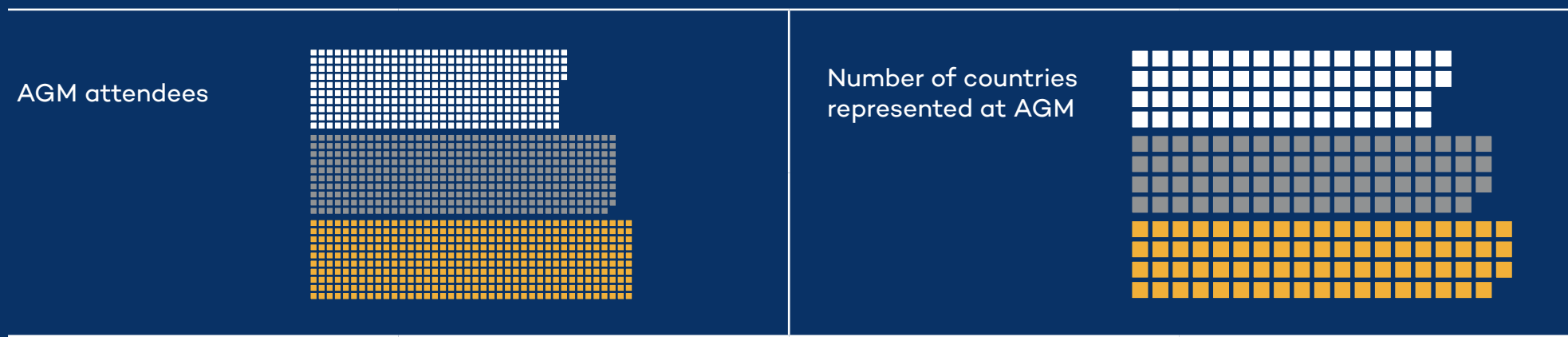
A handwritten signature in black ink, appearing to read 'Greg Radford'.

Greg Radford  
IGF Director



# DEMONSTRATING OUR GROWTH

2016  
2017  
2018



## AFGHANISTAN



Vast untapped mineral wealth is a potential opportunity for economic growth.

### GOALS

- Implement a modern mining policy that welcomes private investment
- Rapid growth in mineral extraction and exploitation
- Enhance the sector's governance capacity by making it more open and accountable

- Strengthen the sector's socioeconomic benefits
- Identify the total value of Afghanistan's natural resources through modern systemic exploration

**“As a member of IGF, we will have access to the unique support, global collaboration and expertise that the IGF makes available.”**

**HER EXCELLENCY NARGIS NEHAN  
MINISTER OF MINES AND PETROLEUM**

# SIX NEW COUNTRIES JOINED THE IGF IN 2018

## COLOMBIA



The mining sector was recently restructured. It contributes 2 per cent of gross domestic product and 20 per cent of total exports.

### GOALS

- Support strategic large-scale mining projects to help them develop more efficiently
- Train artisanal and small-scale miners in higher standards
- Eliminate mercury from artisanal and small-scale gold processes

- Finalize a territorial strategy to ease interactions with regions, provide better information and strengthen trust in the sector

**“Our IGF membership will support us as we develop a mining sector that generates social and economic progress, and promotes the best social responsibility practices, taking care of the environment and sustainable development.”**

**CARLOS ANDRES CANTE PUENTES  
VICE-MINISTER OF MINES**

## LAO PEOPLE'S DEMOCRATIC REPUBLIC

The mining sector contributes 6.6 per cent of gross domestic product and has been a strong economic driver for two decades.

### GOALS

- Strengthen capacity to regulate the mining sector through good governance and transparency
- Increase production while increasing environmental sustainability
- Reduce the number of raw mineral exports and increase domestic processing capacity

**“We are committed to an open and accountable extractives sector. Besides being technically appropriate, environmentally sound and financially profitable, sustainable mining needs to be socially responsible and focused on the long-term development of the local community.”**

**KHAMTANH VONGPHANSIPASEUTH**  
ACTING DIRECTOR GENERAL  
LAO DEPARTMENT OF MINING MANAGEMENT,  
MINISTRY OF ENERGY AND MINES

## SAUDI ARABIA

Committed to responsible governance in mining and socioeconomic optimization.

**“We look forward to Saudi Arabia's participation and contribution to our members' common priorities.”**

**GREG RADFORD, DIRECTOR, IGF**

## SUDAN

The second largest gold producer in Africa and ninth largest in the world.

### GOALS

- Develop and upgrade local laboratories
- Enhance minerals database
- Enhance economic opportunities by developing geological research
- Foster socioeconomic benefits
- Develop safe techniques for gold processing

**“In joining the IGF, Sudan hopes to build a strong and sustainable mining sector through exchanges of experience and benefits with IGF member states.”**

**MOHAMED ELBALLA OSMAN**  
DIRECTOR OF INTERNATIONAL RELATIONS  
MINISTRY OF MINERALS

## THAILAND

The mining sector was recently reformed to achieve the Sustainable Development Goals. It is responsible for 2.8 per cent of gross domestic product, and over 90 per cent of mineral production meets domestic demand.

### GOALS

- Support economic prosperity
- Achieve mutual social benefits
- Environmental stewardship
- Engender trust with all stakeholders
- Work bilaterally and regionally to address global challenges of the Sustainable Development Goals

**“Strengthening global cooperation and integration among IGF members, along with the exchange of ideas among policy-makers, experts and operators, is especially vital to achieving our ultimate goal of sustainable mining.”**

**WISANU TABTIENG**  
DIRECTOR-GENERAL  
DEPARTMENT OF PRIMARY INDUSTRIES AND MINES



REPUBLIQUE DU CAMEROUN  
PAIX - TRAVAIL - PATRIE  
MINISTRE DE L'ADMINISTRATION TERRITORIALE  
ET DE LA DECENTRALISATION  
REGION DU LITTORAL  
DEPARTEMENT DE LA SANAGA-MARITIME  
**SOUS-PREFECTURE  
DE POUMA**



# OUR THREE PILLARS



## 1. ENGAGEMENT

We create opportunities to network, educate and collaborate.

### ANNUAL GENERAL MEETING

Our flagship event.

### PARTNERSHIPS

We work with other international, regional and national organizations to promote the sustainable development agenda.

### INTERNATIONAL EVENTS AND CONFERENCES

We promote best practices in sustainable development in mining.

## 2. ASSESSMENT

We evaluate policies and benchmark against best practices.

### MINING POLICY FRAMEWORK (MPF)

A comprehensive model of international legislative, social and environmental best practices.

### MPF ASSESSMENT

A voluntary comparison of a country's mining framework against the best practices set out in the MPF, followed by a customized training program and advisory services.

## 3. CAPACITY BUILDING

We provide tools to effect long-term institutional change.

### GUIDANCE FOR GOVERNMENTS

Guidance documents are designed to help in priority areas identified by member states to support governance and implementation of the MPF.

### TRAINING

Members can request workshops and technical support on all aspects of mining policy, as well as mining contract negotiations, dispute resolution and conflict prevention.

# 1. ENGAGEMENT

We are a member-led organization that provides as many opportunities as possible for our members to collaborate, access world-class experts and learn from one another. The AGM is our flagship event, a unique forum connecting our members with the international mining community. We also engage with our members through capacity-building programs, at conferences, in our newsletter and on social media.



AGM  
PARTICIPANTS  
BY TYPE

|                             |     |
|-----------------------------|-----|
| GOVERNMENT DELEGATES        | 159 |
| CIVIL SOCIETY               | 110 |
| INDUSTRY                    | 56  |
| INTERNATIONAL ORGANIZATIONS | 54  |



AGM PARTICIPANTS BY GENDER

It's essential, in an intergovernmental context like this one, to design a more coordinated and coherent governance framework that can help ensure the sustainable development of supply chains of these minerals.

ISABELLE DURANT  
DEPUTY SECRETARY-GENERAL  
UNCTAD



## A RECORD NUMBER OF PARTICIPANTS AT OUR 14TH AGM

The theme of this year's AGM, Modern Mining Law and Policy, was particularly timely. The IGF estimates

that approximately 70 per cent of its members have adopted or are in the process of adopting new mining policies.

A modern legislative regime is a foundation for good governance that provides clear lines of responsibility and accountability. Over 400 people from 75 countries attended sessions on topics such as:

- Revising mining codes and laws
- Increasing public access to geological information
- The connection between gender and mining
- How mining policies can support the Sustainable Development Goals
- Mine inspection systems
- Forest- and climate-smart mining
- Promoting responsible supply chains
- Leveraging innovation for a sustainable mining sector

The sessions emphasized that the social contract has evolved from mining companies mainly focusing on paying taxes and dividends into more complex requirements, and that poorly drafted laws can lead to mismanagement of minerals and natural resources. The sessions made it clear that all policies should be transparent, promote shared benefits, and be developed through multistakeholder consultation and collaboration.

Some of the session highlights included:

- Teresa Macayo Marin from Peru's Ministry of Mining talked about how initiatives on gender in the mining sector are empowering female leaders, reducing salary gaps and improving health care for women in ASM in her country.
- François Prognon of the French Geological Survey introduced Minéralinfo, a public web portal funded by the French government, and described the information system for managing geological data that was created for Cameroon.
- Panellists from the forest-smart mining session underlined the importance of cooperation across various ministries to harmonize priorities and ensure proper oversight of reforestation and commitments.
- Pamela Coke-Hamilton, United Nations Conference on Trade and Development (UNCTAD), introduced the tools developed by UN agencies to integrate sustainability principles in mining policies.
- Eric Mensah, from Ghana's Revenue Authority, launched the UN *Handbook on Extractive Industry Taxation* during the one-day technical workshop on tax base erosion and profit shifting (BEPS).

Held every October, our AGM is co-hosted with UNCTAD at the Palais des Nations in Geneva, Switzerland.



## PROVIDING THOUGHT LEADERSHIP AT INTERNATIONAL EVENTS

### NURTURING INNOVATION

We are honoured to be the rapporteur for the PDAC International Mines Ministers Summit (IMMS), held each year in early March in Toronto. The summit brings together ministers responsible for mining from around the world for a day of high-level meetings.

In 2017, the IMMS delegates asked us to prepare a report on case studies in innovation and mining. *Innovation in Mining: Report to the 2018 International Mines Ministers Summit* shows how governments can nurture innovation in the mining sector by supporting research and development, fostering collaboration and leveraging existing public innovation funding opportunities.

These initiatives will help meet the pressing need for innovation in the mining sector, where productivity has decreased by 30 per cent over the past decade. Companies must remain competitive and maintain their social licence to operate, and governments recognize that mining has an important role in the ambitious global development agenda.

Our report explores how the mining sector can use different types of innovation to meet these challenges. We include case studies that show how mining companies are innovating around the world, and also look at how the sector is building gender diversity, exploring crowdfunding, and using hackathons and mining innovation hubs as vehicles for solving the sector's most pressing problems.

### EMPOWERING WOMEN

We have a partnership with the International Institute for Environment and Development (IIED), a policy and research organization that promotes sustainable development. In 2018, we collaborated with the IIED on a report and workshop on women and ASM.

Women make up a large percentage of the growing ASM workforce, but often face overwhelming exclusions due to cultural norms. Challenging these cultural norms can have a wide-ranging social impact. That is why our report, *Women*

*in Artisanal and Small-Scale Mining: Challenges and Opportunities for Greater Participation*, shows how governments can empower women by making discrimination and exploitation illegal, consulting with women during the ASM formalization process and making it easier for women to access land and licences.

We also partnered with the IIED to deliver a workshop on women in ASM at the International Conference on Artisanal and Small-scale Mining & Quarrying in Livingstone, Zambia. We highlighted our report on women and ASM and our report on global ASM trends, fostered dialogue on the opportunities and challenges of ASM, and provided a space for artisanal and small-scale miners to share their vision for the future.





### **WE PARTICIPATED IN 21 CONFERENCES IN 2018**

- APEC Mining Ministerial, mine closure workshop and Mining Task Force meetings in Papua New Guinea
- ASEAN Senior Officials of Minerals Meetings in the Philippines
- ASOMM-CCOP-BGR Mine Closure Workshop in Laos
- Conference of Ministries of Mining of the Americas in Lima
- Energy and Mines World Conference in Toronto
- European Development Days in Brussels
- European Union Raw Materials Week 2018 in Brussels
- IFC Sustainability Exchange in Washington
- International Association for Impact Assessment Mining Symposium in London
- International Conference on Artisanal and Small-scale Mining & Quarrying in Livingstone
- International Council on Mining and Metals Tax Forum in Lima
- Investing in African Mining Indaba in Cape Town
- Investing in LatAm Mining Cumbre in Santiago
- OECD 18th International Economic Forum on Africa in Paris
- OECD 2018 Forum on Responsible Mineral Supply Chains in Paris
- OECD Policy Dialogue on Natural-Resource Based Development in Paris
- PanAfGeo Annual Meetings and mid-term review in Dakar, Senegal
- PDAC annual convention and IMMS in Toronto
- Swedish Environmental Protection Agency United Nations Development Programme Environmental Governance Program for Mining annual meetings in Geneva
- UNCTAD Global Commodities Forum in Geneva
- World Bank Global Conference on Gender and Oil, Gas and Mining in Washington

## **BROADENING OUR IMPACT THROUGH GLOBAL PARTNERSHIPS**

We work with external organizations to develop training workshops and guidance documents that promote best practices around the globe.

Some of our key partner programs in 2018 included:

### **ENVIRONMENTAL GOVERNANCE FOR SUSTAINABLE NATURAL RESOURCE MANAGEMENT PROGRAMME**

We are partnering with the Environmental Governance Programme of the Swedish Environmental Protection Agency and the United Nations Development Programme to develop a diagnostic tool that will help governments and regulators integrate gender considerations into mining governance. During a session at our 2018 AGM, we asked members to contribute to the development of this tool, which will address the growing recognition that the mining sector, and the policies governing the sector, affect men and women differently. The tool will be launched in 2019.

### **THE GOVERNMENT OF GERMANY**

We worked with the following three German government agencies in 2018 on programs related to BEPS, contract negotiation support, ESIA and local content policy:

- *Federal Institute for Geosciences and Natural Resources (BGR)*, a central geoscience consulting institution for the German government
- *Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)*, a development agency that provides services in the field of international development cooperation.
- CONNEX Support Unit, which helps the Global South negotiate large-scale complex investment contracts.

## INTER-AMERICAN DEVELOPMENT BANK

We partnered with the Inter-American Development Bank to organize a one-day regional forum. Addressing Social Challenges Through Multi-Stakeholder Dialogue was held during the Mines Ministries of the Americas Conference in Lima, Peru, in June. The forum's participants studied models, policies and frameworks that identify and address common social challenges in the mining sector, so that sustainable resource development contributes to inclusive economic growth.

## ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT (OECD)

We have formed a partnership with the OECD Centre for Tax Policy and Administration to help address tax BEPS in the mining sector. The work program combines our mining expertise with the OECD's knowledge of taxation to design a comprehensive sector-specific Guidance for Governance on some of the challenges developing countries face in raising revenue from their mining sectors. So far, we have published three practice notes and hosted two workshops under the partnership. You can read more about our BEPS Guidance for Governments on page 23.

## PANAFGEO

We are partnering with PanAfGeo to deliver training sessions in Africa on the environmental management of mines and ASM on a regional scale. PanAfGeo is a collaboration between 12 geological surveys of Europe and the Organisation of African Geological Surveys, which represents Africa's 54 geological surveys. We have delivered

seven workshops and two ASM handbooks to date and have three more workshops and two more handbooks planned for 2019.

## WEST AFRICAN ECONOMIC AND MONETARY UNION

We partnered with the West African Economic and Monetary Union to host a training workshop on BEPS in the mining sector. This four-day workshop, which focused on transfer pricing and other BEPS-related issues, was held in Burkina Faso in July. Read about our Guidance for Governance on BEPS on page 23.

## OUR PARTNERS

We have partnered with the following internationally recognized organizations:

- African Caribbean Pacific – European Union Development Minerals Programme
- The Asia-Pacific Economic Cooperation Mining Task Force
- Association of Southeast Asian Nations Senior Officials for Minerals and Minerals Ministerial
- Canadian International Resource Development Institute
- Coordinating Committee for Geoscience Programmes in East and Southeast Asia (CCOP)
- Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)
- East African Community
- Environmental Governance Program of the Swedish Environmental Protection Agency and UNDP
- The European Commission
- German Federal Institute for Geosciences and Natural Resources (BGR)
- Inter-American Development Bank
- International Institute for Environment and Development
- Mines Ministries of the Americas Conference (CAMMA)
- Organisation for Economic Co-operation and Development
- PanAfGeo – including Geological Survey of Denmark and Greenland (GEUS) and Swedish Geological Survey (SGU)
- Prospectors and Developers Association of Canada
- United Nations Conference on Trade and Development
- United Nations Development Programme
- West African Economic and Monetary Union
- The World Bank
- The World Economic Forum



## 2. ASSESSMENT

### MINING POLICY FRAMEWORK

Our Mining Policy Framework (MPF) is a roadmap for driving sustainable development through mining. Tabled during the 19th session of the United Nations Commission on Sustainable Development (CSD19), it is a non-binding, comprehensive model of international legislative, social and environmental best practices organized around six themes.



#### THE LEGAL AND POLICY ENVIRONMENT

Enacting a legislative regime that provides clear lines of responsibility and accountability for governments and companies.



#### ENVIRONMENTAL MANAGEMENT

Managing water and mining waste, avoiding potential adverse effects to biodiversity and preparing comprehensive mine emergency plans that meet internationally recognized best practices.



#### FINANCIAL BENEFIT OPTIMIZATION

Ensuring that mineral resources revenue is collected transparently and put to work supporting the nation's sustainable development.



#### POST-MINING TRANSITION

Requiring that each mining operation has a fully funded mine closure plan that complies with internationally accepted guidelines and best practices, and effectively manages the legacy issues of orphaned or abandoned mines..



#### SOCIOECONOMIC BENEFIT OPTIMIZATION

Promoting the highest standards of occupational health and safety, creating employment and business development opportunities and protecting human rights.



#### ARTISANAL AND SMALL-SCALE MINING

Legitimizing ASM so that individual miners can earn a safe living with minimal social and environmental impacts.

## MPF ASSESSMENTS

Our MPF assessments compare a country's mining framework to the international best practices set out in the MPF.

Assessments are voluntary and fully authorized by the country's ministry in charge of mining. Open to all member countries, an MPF assessment takes approximately six months to complete. Our team of experts leads the two-phase process with the support and participation of the ministry in charge of mining. The minister appoints a representative who is a local focal point and identifies key legislation and documents, coordinates stakeholder consultations and field visits, and validates our findings. After our review, we address areas for improvement with on-the-ground technical training.

**We are aiming for 15 MPF assessments by 2020.**

**We have completed 12 assessments since launching our MPF in 2013.**

| <b><u>PHASE 1: ASSESSMENT</u></b>  |  | <b><u>PHASE 2: REPORTING</u></b>  | <b><u>PHASE 3: CAPACITY BUILDING</u></b>  |
|--|--|---|---|
| Our team of experts conducts a comprehensive review of a country's mining laws and policies.   |  | We publish a report of our findings.  | Expert trainers work with stakeholders to address identified weaknesses.  |
| <b>DESKTOP REVIEW</b><br>We review the country's mining laws, policies and regulations, comparing them to the best practices set out in the MPF. | <b>FIELD RESEARCH</b><br>We consult with stakeholders from government, civil society and the private sector.<br><br>Field research includes mine site visits to observe how the regulatory framework is implemented in practice. | <b>REPORTING</b><br>The ministry in charge of mining validates our findings, and we publish a report outlining the strengths and gaps in the country's mining regulatory framework. | We develop a customized training program for key stakeholders from the government, civil society and the private sector.<br><br>The government prioritizes the session topics, which aim at providing stakeholders with the necessary tools for addressing gaps identified in the assessment. |

## PUTTING OUR MPF INTO PRACTICE IN NAMIBIA

Namibia was one of the first countries in the world to enshrine protection of the environment in its constitution. The natural resources sector drives its economy and is responsible for 13 per cent of the country's gross domestic product. An important global producer of diamonds, it is also the fourth largest producer of uranium in the world and home to the world's second largest uranium mine.

The Government of Namibia asked us to do an MPF assessment to help improve its legal and policy framework, so that its mining sector will make a strong, positive contribution to Namibia's sustainable development in the decades to come.

Our completed assessment has three goals:

- Help the government target its efforts in implementing the MPF
- Inform capacity-building efforts
- Allow for monitoring of progress over time

Some of our recommendations include:

- Prioritizing improvements to the regulatory requirements for mine closure and post-mine transition
- Updating the legal and policy context
- Strengthening environmental management
- Enhancing contribution of the ASM sector to the country's sustainable development and formal economy.

We also hosted a five-day MPF capacity-building workshop in October for 25 participants from the ministries of Mining and Environment in Windhoek. It covered mine closure and the post-mining transition, environmental management and ASM.

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### MPF WORKSHOPS

One of our primary tools for achieving sustainable development through mining, MPF workshops are available on request to member countries. We tailor the workshops to meet a government's specific needs and cover all aspects of mining policy, mining contract negotiations, dispute resolution and conflict prevention.

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## 3. CAPACITY BUILDING AND TRAINING

### GUIDANCE FOR GOVERNMENTS

Our guidance documents help governments implement our MPF. We are developing a guidance for each of the MPF's six themes. Each document takes one to two years to complete.

We have completed or are currently working on four guidance documents:

- ASM
- BEPS
- ESIA's
- Local content policy

## ARTISANAL AND SMALL-SCALE MINING (ASM)

ASM ranges from informal individual miners making a subsistence livelihood to small-scale formal commercial entities producing minerals in a responsible way. ASM is an important source of income for many but can carry substantial risks and cause environmental damage.

A member survey in 2016 showed that formalizing ASM while minimizing social and environmental impacts was a key priority for ensuring that the mining sector contributes to sustainable development and poverty reduction in member countries.

We launched Managing Artisanal and Small-Scale Mining, our first Guidance for Governments, in January 2017. Designed for all levels of government in the Global South, this document sets out a step-by-step inclusive process for developing, implementing and monitoring an effective ASM strategy.

### WE ALSO PUBLISHED TWO EXPERT PAPERS ON ASM:

- *Women in Artisanal and Small-Scale Mining: Challenges and Opportunities for Greater Participation* shows how to foster economic independence and a sustainable livelihood for women engaged in ASM.
- *Global ASM: A Review of Key Numbers and Issues* shows how to formalize ASM, so that it transforms the lives and safety of people who depend on the sector.

### WE HOSTED TWO WORKSHOPS ON ASM IN 2018:

|  | Participants  | Hosted by  | Goals  |
|--|---|--|--|
| <p><b>Regional Training for Francophone Africa on IGF Guidance on Managing ASM</b></p> <p>Yaoundé, Cameroon</p> <p>February – 4 days</p> | 50 government representatives from 17 African countries | IGF; Government of Cameroon's Ministry of Mines, Industry and Technological Development; APC-EU Development Minerals Programme | <ul style="list-style-type: none"> <li>• Train government representatives on how to apply the guidance to their national contexts</li> <li>• Create opportunities for knowledge sharing and peer learning</li> <li>• Establish a community of practice to support the integration of the guidance among francophone African governments</li> <li>• Produce action plans on implementing the guidance within national contexts</li> </ul> |
| <p><b>Managing ASM: Regional workshop for Latin America</b></p> <p>Punta Cana, Dominican Republic</p> <p>June – 6 days</p>               | 27 participants from 9 countries in Latin America       | IGF; Government of Dominican Republic's Ministry of Mines  | <ul style="list-style-type: none"> <li>• Enhance the capacity for applying and implementing the ASM Guidance for Governments</li> <li>• Provide guidance and insights on key challenges in the sector, including gender equality, occupational health and safety, strengthening the value chain</li> </ul>   |



## TAX BASE EROSION AND PROFIT SHIFTING (BEPS)

We have partnered with the OECD Centre for Tax Policy and Administration (see page 17) to develop 10 sector-specific practice notes that will help governments solve some of the most pressing base erosion challenges:

- Excessive interest deductions
- Transfer mispricing
- Undervaluation of mineral exports
- Harmful tax incentives
- Tax stabilization
- International tax treaties
- Indirect transfer of mining assets
- Metals streaming
- Abusive hedging arrangements
- Inadequate ring-fencing

### WE PUBLISHED THE FIRST THREE PRACTICE NOTES IN 2018:

- *Limiting the Impact of Excessive Interest Deductions on Mining Revenue* guides government policy-makers on how to strengthen their defences against excessive interest deductions in the mining sector.
- *Tax Incentives in Mining: Minimising Risks to Revenue* examines the tax base erosion risks posed by mining sector tax incentives.
- *Monitoring the Value of Mineral Exports: Policy Options for Governments* helps governments choose the right policy option for monitoring the value of mineral exports.



### WE HOSTED TWO WORKSHOPS ON BEPS IN 2018:

|   | Participants   | Hosted by | Goals   |
|---|--|-----------|---|
| <b>Transfer Pricing Risk Assessment in Mining</b><br>Dar es Salaam, Tanzania<br>August – 3 days | 24 government participants from the Tanzania Revenue Authority, the Ministry of Mines and the Ministry of Finance              | IGF       | <ul style="list-style-type: none"> <li>• Build the capacity to identify and address transfer pricing risks in the mining sector and protect the mining tax base from abusive transfer pricing</li> </ul>  |
| <b>Technical Workshop</b><br>Geneva, Switzerland<br>October – 1 day                             | Attendees from the AGM, including representatives from member governments, non-governmental organizations and mining companies | IGF       | <ul style="list-style-type: none"> <li>• Launch United Nations <i>Handbook on Extractive Industry Taxation</i></li> <li>• Launch new IGF–OECD toolkits</li> <li>• Review tax treaties in the mining sector, transfer pricing and fiscal stabilization arrangements</li> </ul> |

## ENVIRONMENTAL AND SOCIAL IMPACT ASSESSMENTS (ESIAs)

We have begun work on our Guidance for Governments on ESIAs, which will set out best practices for ESIAs in permitting and related legal frameworks.

Our AGM included sessions on ESIAs, and we consulted with our members on their legal framework for ESIAs in contracting and permitting processes. Delegates noted that companies have begun to seek compensation from governments for cancelled mining permits, considered how ESIAs contribute to sustainable mining, and discussed the role of community engagement and tax reforms.

We expect to publish our ESIA Guidance for Governments in late 2019.

## LOCAL CONTENT POLICIES

We launched our second Guidance for Governments in February 2018.

Countries rich in resources—particularly if they are dependent on a few resources or operations—face a daunting challenge: how to translate significant mining investment into broad and sustainable economic development.

About 90 per cent of resource-rich countries employ some sort of local content policy, and many are reviewing their mining policies so they can better exploit mining's powerful potential. IGF member nations ranked local content policies as their highest priority for guidance at our 2016 AGM.

Our Guidance for Governments covers policies with five different goals, and sets out four steps for ensuring that mining leads to significant, inclusive and sustainable development, as seen in the table on the following page.

The guidance document also covers three cross-cutting themes:

- Ensuring goals are achieved in a gender-equitable way
- Exploring the relationship between local content policies and countries' obligations under trade and investment law
- Exploring the implications of technological advances on the success of local content policies.

These themes are illustrated in expert papers on stimulating direct local employment, fostering downstream linkages and designing local content policies in mineral-rich countries.

We are in the process of developing training toolkits for national and regional workshops on this guidance document and will begin delivering training and capacity-building sessions in 2019.



|  |  |  |   |
|--|--|--|---|
| <b>1 – Ensure alignment with national development objectives</b>                     | <b>2 – Take stock</b>  | <b>3 – Design policies</b>   | <b>4 – Monitor, review and enforce</b>  |
| <p>Determine the role that the mining sector plays in national development plans</p> | <p>Identify opportunities, gaps, parallel initiatives, government’s leverage with investors and feasibility of different types of local content policies given the context</p> | <p>Choose from five broad policy types that achieve different but related objectives</p> | <p>Measure progress against explicit benchmarks and hold stakeholders accountable for achieving certain targets</p> |

| Policy type                    | Local procurement  | Direct local employment   | Downstream linkages  | Horizontal linkages  | Build domestic capacity  |
|--------------------------------|--|---|--|--|--|
| <b>Purpose</b>                 | Boost the amount of local goods and services purchased by mining operations  | Enhance the amount and quality of local employment by mining operations   | Encourage economic diversification from within mining sector   | Use skills, capabilities and infrastructure from the extractive sector to develop other economic sectors   | Increase national participation in mining activities through domestic ownership and creation of state-owned enterprises  |
| <b>Benefits</b>                | Increases mining’s contribution to GDP; can be a gateway to economic diversification, with suppliers maturing into non-mining sectors  | Creates new local jobs, develops skills of national workforce; supports efforts to further gender equality and social inclusion   | Higher export revenues, with positive spillovers on economic growth; improved trade balance, tax revenue generation, employment creation and skills development                    | Leads to economic diversification and sets the stage for economic vitality after mine closes; creates benefits that are not dependent on mining sector; fosters faster economic growth and more job creation | Builds strong national champions for accessing raw materials for industrial development; builds internal capacity for industrial development; corrects historical and socioeconomic imbalances |
| <b>Where this is working</b>   | Ghana’s demand- and supply-side policies favour local suppliers and its Minerals Commission requires mining companies to choose services, materials and equipment from a list of Ghanaian sources. | Chile’s Mining Skills Council is a hub that builds competency and maximizes employment opportunities by connecting educational institutions with industry stakeholders. | Singapore has leveraged its world-class port infrastructure to attract large-scale oil refineries and petrochemical industries, making it the petroleum trading hub of the region. | Australia’s mining policies set out a framework that allows horizontal linkages to occur by enabling the market process, supporting skills and innovation and encouraging strong upstream linkages.          | Norway’s state-owned enterprise, Statoil, has helped increase per capita GDP without creating an oil-dependent economy.  |
| <b>Read case studies about</b> | Australia, Botswana, Ghana, Kazakhstan, South Africa, Zambia   | Australia, Canada, Chile, Ghana, Papua New Guinea, South Africa   | Australia, Botswana, Indonesia, Nigeria, Singapore   | Australia, Chile, Guinea, Mozambique, Norway, South Africa, Tanzania   | Canada, Chile, Nigeria, Norway, Saudi Arabia   |



## PEER LEARNING: REGIONAL WORKSHOPS, TRAINING AND TECHNICAL ASSISTANCE


Our regional workshops, training and technical assistance combine capacity building with peer learning. Usually organized around a specific theme, the workshops balance regional perspectives with local experts. They also give member governments the chance to share their experiences and learn from each other.

**WE CO-HOSTED, FUNDED OR FACILITATED SEVEN REGIONAL WORKSHOPS IN 2018:**

|   | <b>Participants</b>                                | <b>Hosted by</b>   | <b>Goal</b>   |
|---|--|--|---|
| Artisanal and Small-Scale Mining (WP3)<br>Lusaka, Zambia / March                        | 40 trainees from 10 countries                      | GEUS, IGF, PanAfGeo<br>(learn more about our partnership with PanAfGeo on page 17) | <ul style="list-style-type: none"> <li>Using geology and mining techniques to mine safely, profitably and responsibly</li> <li>Managing environmental and social problems relating to ASM</li> <li>Cooperatives, business management skills</li> </ul>  |
| Environmental Management of Mines Workshop (WP4)<br>Mwanza, Tanzania / April            | 24 trainees from 10 countries and 4 trainers       | SGU, IGF, PanAfGeo<br>(learn more about our partnership with PanAfGeo on page 17)  | <ul style="list-style-type: none"> <li>How to manage environmental problems relating to mining</li> <li>Use geosciences to understand, predict and prevent environmental impacts caused by mining activities</li> <li>Study visit of a tailings dam</li> <li>Case study field work on mine site rehabilitation</li> </ul>   |
| Mine Closure Workshop on Legal Frameworks<br>Vientiane, Laos / May                      | 40 participants from 9 countries in Southeast Asia | BGR, CCOP, IGF, Association of Southeast Asian Nations                             | <ul style="list-style-type: none"> <li>Build capacity in mine closure legal frameworks</li> <li>Better understand how to achieve and manage sustainable mine closure</li> <li>Development familiarity with APEC's Mine Closure Checklist</li> <li>Explore post-mining transition</li> </ul>   |
| UEMOA – Tax Base Erosion and Profit Shifting (BEPS)<br>Ouagadougou, Burkina Faso / July | 30 trainees from 8 countries                       | IGF, UEMOA Commission  | <ul style="list-style-type: none"> <li>Tax base erosion and profit shifting in mining – 10 causes of BEPS</li> <li>Focus on transfer pricing related to mining sector</li> <li>Use of financial–tax modelling to consider fiscal policy, mine development agreements</li> </ul>   |
| APEC PNG Mine Closure Workshop<br>Port Moresby, PNG / August                            | 20 delegates from 6 countries                      | PNG  | <ul style="list-style-type: none"> <li>APEC Mine Closure Checklist for Governments</li> <li>Consideration to post-mining transition, IGF MPF, relinquishment</li> <li>Draft PNG Mine Closure Guidelines</li> </ul>  |
| Artisanal and Small-Scale Mining (WP3)<br>Lilongwe, Malawi / November                   | 52 trainees from 10 countries                      | GEUS, IGF, PanAfGeo<br>(learn more about our partnership with PanAfGeo on page 17) | <ul style="list-style-type: none"> <li>Use geology and mining techniques to mine safely, profitably and responsibly</li> <li>Manage environmental and social problems relating to ASM</li> <li>Cooperatives, business management skills</li> </ul>  |
| Environmental Management of Mines Workshop (WP4)<br>Franceville, Gabon / November       | 23 trainees from 11 countries                      | SGU, IGF, PanAfGeo<br>(learn more about our partnership with PanAfGeo on page 17)  | <ul style="list-style-type: none"> <li>How to manage land-use issues and environmental problems related to mining</li> <li>Use geosciences to understand, predict and prevent environmental impacts caused by mining activities, including acid drainage</li> <li>Case study field work on mine wastes (tailings) and on closed mine site rehabilitation</li> </ul> |



Government delegates at the 2018 AGM.



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INTERGOVERNMENTAL FORUM  
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