

Mining: Partnerships for Development – Regional Development Planning

Wednesday 13 October 2010 – 07:30-12.15

Smeaton Room, 1 Great George Street, London, W1P 3AA, UK

Objectives and rationale of the workshop

The objectives of the workshop are:

- to increase awareness among ICMM member companies of the good practice that is already underway among member companies on partnerships for regional development planning;
- to explore opportunities to work with multi-lateral and bilateral development agencies to scale up and replicate partnerships for regional development planning both across the mining industry and across mining-dependent countries.

The workshop is **not** about innovative CSR company initiatives which are being undertaken by companies acting alone. The aim is to consider how all parties can work together in partnership to integrate mining into Regional Development Planning more effectively. There may be interest in follow up action at the regional level, the same workshop format and agenda could be transferred to a country or regional workshop, e.g. in West Africa, Brazil, etc.

The six priority themes are proving to be a useful framework for broadening and moving the debate forward. Many initiatives give insufficient recognition of the importance of the wider investment environment, role of governance, poor regional development planning, and hasty decentralization. The unique dimension of the ICMM approach is that it does not lose sight of the “bigger picture”. By demonstrating the links between issues it also shows people they do have a role and responsibility in solving problems that they would not normally consider within their remit.

Definition of Regional Development Planning

There are different definitions of the term ‘regional development planning’ The term sometimes relates to development planning activities spanning multiple countries, involving several national governments with common objectives. A variation of this is planning focused on several sub-regions that may all border a particular geographical region spanning several political boundaries (e.g. limited to the specific provinces in several countries adjacent to a common river basin or coastal area). It can also refer to sub-national planning within a particular country, whereby several provinces or sub-regions pursue development planning in general or around a particular industry.

For the purposes of this workshop, the following definition will be used:

- ‘**Regional Development Planning**’ is an approach to making long term plans for a country’s regional development, which links feasible private sector initiatives in support of coherent and integrated, productive and social infrastructure to enable economic diversification of the region.
- Normally a “**region**” will embrace a large geographic and administrative area and one that embraces a number of traditional/ existing local and community governments. (**For this workshop we are limiting the ‘region’ to that within one country**).
- Hence ‘**regional planning**’ will normally require an administrative regional authority that

implements the regional development plans but in full collaboration with both central and local government authorities.”

It is the multi-stakeholder partnerships required for any regional development planning to be effective that will be the focus of the workshop.

An update to the ‘*Mapping in-country partnerships*’ was commissioned by ICMM to discuss this subject further. A high level summary of the many examples proposed by ICMM members will be made available to participants at the workshop. Each case-study identified will be added or updated after the workshop, and made available on the ICMM website.

Agenda

Wednesday 13 Oct 07:30 – 12:15 - The workshop will begin with light refreshments served from 07:30 with formal sessions lasting from 08:00 until 12:15.

07:30-08:00 Welcome reception (informal) – with light refreshment (tea & coffee with pastries)

Setting the Context

08:00 Welcome and introduction by the Chair: Mr. Paul Hollesen, (Chair, ICMM Mining: Partnerships for Development and Vice President, AngloGold Ashanti). The Chair will:

- (1) Welcome all participants and cover housekeeping requirements, (including anti-trust guidelines and health and safety guidelines).
- (2) Set out the workshop objectives, i.e. looking for practical steps that companies can take together with partners to support long term regional development planning which leads to diversification of the economy, capable institutions at the sub national level and infrastructure development designed to meet the needs of local communities.
- (3) Set out a short definition of Regional Development Planning (RDP) - What is ‘Regional Development Planning’ – what it should mean in practice?
 - Participatory planning to identify needs effectively
 - Collaboration with multiple stakeholders to identify resources available
 - Effective partnerships to deliver greater benefits than single actors
- (4) Highlight some topical issues around RDP from a multi-stakeholder perspective.

08:20 ‘Opening circle’ – The Chair will invite each participant to introduce themselves.

08:35 Opening panel: The Chair will introduce the panel: Mr. Antonio Pedro (Director, Eastern and Southern Africa, UN Economic Commission for Africa) and Mr. Claudio Cortellese, (Head of Access to Market & Capabilities Unit, FOMIN – Multilateral Investment Fund, Inter-American Development Bank).

Each panelist will make a short 15 minute presentation, covering some or all of the following:

1. What is their experience in RDP? Have they partnered with the mining sector? What is their particular role in the process (as a Funding Institution/ Government / NGO)?
2. What lessons have been learned to date? (What has worked well? Not so well? Why?) What partnership lessons have they learned in their experience of sub-national RDP?
3. Are cross-sectoral partnerships the way to promote economic diversification?
4. Could mining be used as a ‘growth pole’ / ‘anchor’ industry for RDP to promote a more integrated planning approach?

Where do they expect to see more partnerships around RDP emerging e.g. Africa? How do they see their role in integrating mining into RDP more effectively in future?

Good Practice in Action - Chair: Mr. Paul Hollesen

09:20 The Challenges of Regional Development Planning for ICMM members – Professor Alan Roe, (Oxford Policy Management) will:

- (1) Set out the business case for engaging in partnerships for development planning in a region.
- (2) Summarize the highlights of the mapping exercise, focusing on the common issues and challenges in partnerships for Regional Development Planning, pointing to some good examples from ICMM members or others of how these may be addressed.
- (3) Highlight some issues for RDP that partners may need to consider in future e.g. suggest ways to evolve existing programs into a more integrated, long term RDP approach.

09:45 – 10:05 Coffee Break

10:05 Case Study #1 - Partnerships for Development in the Southeast of Pará – (Marabá)
Liesel Mack Filgueiras, (General Manager of Corporate Social Responsibility – Vale).

This will include an overview of the main activities, the partnership approach, key challenges, how these were overcome, and the main lessons learned. It will also include some perspectives from other stakeholders around common themes and challenges in making these partnerships work.

10:25 Case Study #1 - Discussion, facilitated by the Chair, with participants encouraged to share their experience of addressing similar challenges and partnerships.

and identify good practices.

Addressing the challenges - Chair: Mr. Paul Hollesen

10:55 Case Study #2 - Rio Tinto Regional Development in the Pilbara, Western Australia, Bruce Harvey, (Rio Tinto, Global Practice Leader – Communities).

This will include an overview of the main activities, the partnership approach, the key challenges, how these were overcome, and the main lessons learned. It will also include some perspectives from other stakeholders around common themes and challenges in making these partnerships work.

11:15 Case Study #2 - Plenary Discussion, facilitated by the Chair - with participants encouraged to share their experience of addressing similar challenges.

Looking to the future - Chair: Mr. Paul Hollesen

11:45 The Chair invites panel to reflect back – summary thoughts on the experience, challenges and approaches presented, how mining can be better integrated into regional development planning in future, and what *their* main focus in the area of RDP will be for the next 5 years).

11:55 Chair invites final reflections on the morning from attendees – thoughts about what they have heard, what it means for them?

12:05 The Chair will summarize the key learning points and themes from the workshop, wrap-up and close the formal sessions

12:15 Delegates *will be asked to move to out of the room promptly at 12:15.*

Background

ICMM's Resource Endowment initiative conducted partly in collaboration with the United Nations Commission on Trade and Development (UNCTAD) and the World Bank Group, aimed to understand why some mineral dependent economies avoided the 'resource curse' (the theory that resources necessarily hurt economic growth) and to identify the success factors which explain why these countries have turned their mineral resource endowments into a blessing.

The Resource Endowment initiative provides a balanced perspective to assist companies in their discussions with host governments over fiscal terms and other socio-economic issues and identifies practical ways to enhance mining's and metals' socio-economic contribution on the living conditions of the host country populations. It has also helped to clarify the various influences that can compromise that successful outcome.

ICMM's initiative to help countries and communities benefit more from mineral wealth – has shown that mineral wealth can contribute greatly to development – provided it is managed well. It has also demonstrated that companies alone cannot unlock the development benefits of mining – multi-stakeholder partnerships are needed both to avoid the 'resource curse' and to broaden and deepen mining's positive social and economic contribution.

This is the rationale for Mining: Partnerships for Development, launched at Indaba in February 2010 where the CEOs committed ICMM member companies' to work with others on development-focused partnerships in a way that can then be used by ICMM to encourage other stakeholder groups to express support for the concept too. Members already undertake extensive partnerships across the six priority themes identified by the REi: mining and poverty reduction, mining and revenue management, mining and regional development planning, mining and local content, mining and social investment, and mining and dispute resolution.

The expectation is that this will encourage more partnerships – across more of the 48 mineral dependent countries, without requiring significant extra resources from ICMM. To encourage the further update of such partnerships and to engage with potential partners active around the six themes. ICMM has embarked on a series of workshops to share good practice, deepen knowledge

Summary of event and proposed next steps

Around 60 people from ICMM member companies, local Chambers of Commerce and a couple of representatives of the development community attended a half-day workshop to explore regional development planning partnerships. The day began with a short presentation to set the context of the definition of Regional Development Planning for the workshop, present a 'global snapshot' of RDP activity to date, highlighting some challenges around forming partnerships in the area, followed by an 'opening circle' for all participants to introduce themselves.

The first part of the workshop was to hear alternative perspectives than those of ICMM members, to identify common challenges and lessons learned in this area from other partners. The panel members were the Director, Eastern and Southern Africa, UN Economic Commission for Africa and the Head of Access to Market & Capabilities Unit, FOMIN – Multilateral Investment Fund, Inter-American Development Bank. This was rounded off by an overview from Oxford Policy Management of the differences of 'true regional development planning' as contrasted with traditional methods of engagement, key findings from the short interviews with ICMM members and some of the challenges and opportunities for future partnerships.

The remainder of the workshop was structured around two case studies of RDP partnerships presented by Vale and Rio Tinto. These set out the case study context and focused on the key challenges and lessons learned for engaging in RDP. The presentations are available from ICMM along with the participant list, and other supporting materials.

Interestingly many of the challenges and lessons learned were consistent across most partners. The key themes that emerged were around the need to engage with a long term perspective, albeit also deliver

quick wins to generate buy-in and credibility, and the length of time and effort it takes to develop effective partnerships in this area, which support the appropriate roles of government, company, NGOs, development agencies and community groups. Leveraging investments by fundraising from other partners and sources is a good way to create partnerships with appropriate balance of roles and responsibilities, and make a business case that it is in all parties' interests to engage.

In terms of next steps, the organizers plan to gather the remaining case-study examples, and these will go through a standard review process before being edited and published on the ICMM website, as part of a wider update to the 'Mapping in-country partnerships' document.

The rest of this note provides a summary of the workshop proceedings.

Please note in an effort to capture the balance of discussions accurately, some comments reflect the opinions of attendees and may not be in line with the ICMM position.

Welcome and Introduction

The Chair welcomed participants, outlined ICMM's anti-trust policy and introduced the Resource Endowment Initiative, setting the context of the workshop within this. He then set out the workshop definition of RDP, and some of the key challenges– such as conflicting priorities for partners, and issues over differing timescales. This included the tension between planning for the long term and the need to deliver quick wins. *This presentation is available on the ICMM website.*

This was followed by an 'opening circle' for all participants to introduce themselves.

Panel Perspectives

Mr. Antonio Pedro (Director, Eastern and Southern Africa, UN Economic Commission for Africa (ECA)) explained the ECA's role and experience as a knowledge institution in this area, which is essentially from the government level stakeholder perspective. He noted the potential for mining to effect structural transformation of economies, referenced spatial development initiatives, touched on some multi-country initiatives and set out the challenges. He then gave some advice for members on what mining companies should do more of (and less of) to integrate mining into the regional development planning agenda. This presentation is available on the ICMM website.

Discussion points included:

- What the industry can do to encourage increased recognition of the contribution that mining can make to Poverty Reduction Strategy Programs (PRSP) – because mining is not recognized as the catalyst it can be. The panel response was to strengthen the local chambers of mines, because they engage with governments. Engage through ministries with other government sectors – especially any which are reviewing the PRSPs to include mining.
- Companies play an important role to educate and increase an understanding of mining benefits. They need to educate people about the mine lifecycle and benefits pattern and provide better information of the benefits of mining e.g. In Tanzania, despite large foreign direct investment in modern commercial mining in the gold sector over the past decade – many communities have not seen the benefits of the boom. The President established the Bomani Mining Commission to see how the mining sector could create opportunities to benefit citizens more.

Mr. Claudio Cortellese, (Head of Access to Market & Capabilities Unit, FOMIN – Multilateral Investment Fund, Inter-American Development Bank) set out FOMIN's role within the IDB and some of their experience in this area, which is often around cluster development. He gave an example of a Mining Development Fund project. He then set out the challenges from their experience and gave some advice for members on what mining companies should do more of (and less of) to integrate mining into the regional development planning agenda. *This presentation is available on the ICMM website.*

Discussion points included:

- Who is best placed to lead the networking between partners? It can be difficult if the mining company leads, as they may be seen as having a vested interest or they may be less integrated with donors and other players. It depends on who is recognized locally as the most legitimate leader. It may be the mayor or a company, or it may be a large family owned enterprise. It will vary by region because the individual is the key.

- There is a basic premise underlying the discussion that mining companies are around for more than 10 or 20 years, but in some cases the company may only be in the area for a shorter time, yet the expectations are still for long term benefits and contribution. How is this reconciled? Clustering is an important approach as one mining company cannot look forward 100 years, but the sector as a whole can look more widely and take a longer term perspective
- Mining companies bring knowledge and experience that is hard to find in these regions, and can add valuable perspectives on how to think about and tackle issues. This is an opportunity to contribute to the human capital by changing the culture of how to handle problems in the region / country.

Professor Alan Roe – Oxford Policy Management, set out some emerging good practice in the area of regional development planning, drawing on many years experience of working in development, including in Africa. He summarized the findings from interviews completed with 17 ICMM members in August-September 2010 by Kate Lloyd-Williams which gauged the level of involvement and key challenges from the company perspectives. He emphasized the potential role that mining can play in stimulating the broad-based development of low-income countries, asserting that companies have a clear motivation for getting involved because ‘companies are better able to fulfill their commercial objectives more successfully if the communities are thriving’.

He stressed the need to consider the differing perspectives and priorities between differing partners that make it hard to form effective partnerships, and drew a distinction between a traditional engagement in infrastructure or capacity building, to that of engaging in a more strategic longer term RDP vision, where the company is one player among several. He highlighted the main challenges from each stakeholder perspective (Company, Government, Community Groups & NGOs and Donor Agencies). Some specific examples of good approaches from member companies were included in the slide handouts. He summarized the main challenges heard from members, and led the discussion around some future issues, models or approaches to consider. This included promoting the development of ‘growth poles’ – giving the example of Tanzania where in theory mining should be playing a key role as part of a broader, strategic development effort, with partnerships between the sector and government. *This presentation is available on the ICMM website.*

The Chair thanked the panel and asked them to reflect further on some of the emerging themes and issues in this area at the end of the workshop.

During the coffee break, attendees were invited to look at two flip charts with some challenges and opportunities for integrating mining into RDP. Using ‘sticky dots’ they were asked to vote for the ones they felt were most important, adding additional points to capture other important factors. This was a very informal exercise to test some assumptions and gauge more feedback from those that had not participated in interviews. Due to the limited 20 minute coffee break, not all attendees engaged. These slides are summarized at the end of this document.

CASE STUDY #1 – The Case of Maraba (Para Region, Brazil), Vale.

Liesel Mack Filgueiras, (General Manager of Corporate Social Responsibility – Vale) presented an overview of the case-study. This set out the context of the Para region example, Vale’s approach to partnering, and the key challenges and lessons learned. The case study also explored the practical approach of building local capacity with the local government around municipal waste management, which addressed a pressing issue for the area. The presentation concluded with a short video giving different stakeholder perspectives on the impact and contribution Vale had made through improving the landfill management in the area, by training the staff to manage it better. *The presentation slides, video and accompanying full case-study are available on the ICMM website.*

Discussion points included:

- The case study showed good local ownership of a solution to local challenges.
- It may not require a whole ‘regional’ level of RDP to have meaningful engagement in this area. There are many good examples of ‘RDP lite’ on the ground –what happens at the community level is tough and should not be under-estimated.
- What were the challenges for Vale’s management in taking the lead in diagnostic and public management in these areas? In 2004 the Vale Foundation (VF) decided to contribute to local development and they needed data to ensure transformation. They realized that resources were available that the community couldn’t reach, but that they could use the social investment as seed

money against investment. This approach is seen as very positive by the company.

- In Brazil, what % of the population votes in the local election? 'Can local government ever really truly represents the people?' Voting is compulsory hence the mayor is representative.
- All developing countries have garbage and solid waste, so it is a very tangible approach to developing quick wins, which create goodwill and momentum that should be highly replicable in other locations.
- Were there checks and balances in place to ensure that the waste management was not 'a cover for money laundering / local mafia as is often the case?' This was a risk that Vale had considered, and is aware of, hence they have focused on non-cash support such as training and capacity building. They are helping to support the search for a new landfill site, which will involve competitive bidding with a highly transparent process.
- Vehicles such as Foundations can help as they create a more neutral institution. If the foundation advocates RDP it can fundraise with local and national govt. and multi-laterals, and to leverage investments. The caveat was added that there can be a danger that they can be seen as a substitute for the company's own community relations work. A foundation should be just one element of a company's approach to managing its relationships with communities. A foundation should not just be public relations. It can bring a focus to local economic development which may not exist in the enterprise, which can help manage the foundation to build project management capacity.
- There is often a dilemma about who in the company takes accountability for delivery – balancing the competing short term pressures. The Director of the Vale Foundation was a mayor from a small municipality, so he understands the pressures and this experience is transferred to the team. Now the Foundation has become more proactive, the goodwill makes it easier to get licenses for other projects. For any new project, it shows how it will add to the broader development for the area.
- The key points for transferring lessons from one context to another were:
 1. **Good data** - the social and economic diagnostic gave the evidence base to discuss with the public sector to help prioritize and question license stipulations. E.g. the government asked for two hospitals, which from the data Vale showed would add to the costs of healthcare but could not be maintained, so a better investment was to boost healthcare capacity in the existing hospitals.
 2. **Integrating social investments** – e.g. mine, rail, and ports. A foundation can co-ordinate integrated planning.
 3. **Leverage funds** – if you have good data and an integrated approach you can find resources and leverage these better. Most institutions are willing to add funds to a good program.

CASE STUDY#2 – Pilbara Region, West Australia, Rio Tinto Iron Ore

Bruce Harvey (Rio Tinto, Global Practice Leader – Communities) set out a case study presentation of the RDP process in the Pilbara region of Western Australia. This involved a formal Agreement process with 11 indigenous peoples around respecting their native title and promoting participation in economic development. The presentation set out the context of the Pilbara and Rio Tinto's engagement, and the agreement process they went through. It then picked up on the main challenges and lessons learned. *The presentation is available in full on the ICMM website.*

Discussion points included:

- Mining and metals don't tend to have projects in 'developed' areas – in 99% of cases they are in frontier lands. Although we think of Australia as developed country, '90% is an economic frontier' – very like Africa with the same challenges of infrastructure, requiring structural transformation.
- In Africa some governments are proposing to include APRM – African Peer Review Mechanism

where they seek feedback on how they are governed. There is a proposal to add mineral management, but government interests are not always aligned to other parties' interests.

- Some investments from companies make business sense long term because they help reduce operational costs over time, but the short term return may be negative. This can be difficult to sell to the Board. See more details on the Rio Tinto website, around the Argyle Agreement and NPV. Can demonstrate it is negative in the short run, but positive long run. Management may view a 'baseline diagnostic' or assessment 'as an indulgence'. 'Situational analysis' is a better term (it implies you customize studies for what you need to know).
- The 'resource curse' is referred to as the 'two speed economy' in Australia.
- Data helps companies to make a strong case and refuse to make unsustainable gifts.
- 'Community agreements' are not the same as commercial transactional negotiations. The focus is on reaching a long-term, mutually beneficial agreement – recognizing the need to respect community rights. The community agrees to join up to be a part of the regional plan or some RDP type activity. Rio Tinto does not leave this to informal relationships, as it believes all parties need a contract with a comprehensively negotiated agreement with the local appropriate institution to get local people to sign up to the long term e.g. 20 years. Impact Benefit Agreements (IBA) from Canada – Rio Tinto's preference is to call them Participation Agreements.
- The discussion process is time consuming but critical, which is different to statutory (e.g. BBBEE) thinking. Rio Tinto sees legislation emerging all over the world around social consent and economic empowerment (often in the form of 'native title', or 'mining charters') so it seeks to enter into the process voluntarily.
- It is important that local people are really asked what they want, and are asked in the right way. There is a responsibility to observe social customs e.g. this influences where, when and how discussions should take place – for some indigenous people after dark around a campfire is much better than in a meeting room at a pre-appointed time decided by the company.
- Rio Tinto considers 'inter-generational shift in expectations,' which typically happens every 15-20 years, so companies need to look ahead to expectations and behaviors for the 'next' generation. There is a strong business case to create generational political stability; hence companies need to support community development and robust regional economies. This is more than through the direct industry employment – 'not everyone will want to work in the mine'; many will seek employability and use their skills elsewhere – it is important to consider the indirect and induced contribution.
- The 'dangerous stage is often not the planning, but implementation so you need contingency plans'.
- There was a discussion around when to invite the government to participate. Often the government will not initiate solutions, so companies and communities should jointly develop solutions that benefit all and take these to government. In the case of Pilbara, this was after the Agreement process commenced. The approach was to 'keep government informed', and then propose joint solutions based on an agreement in place with a large representative body of the community as part of the solution. This is a good way to encourage government to fulfill its proper role. It was acknowledged that in other locations e.g. Africa or Laos you cannot ignore the government, and where other partners may be even less well equipped to deal with RDP.
- In relation to building local capacity for RDP; the presence of one or more companies is an opportunity for RDP in the region. How best can the company capacity be developed to engage

better and how can this be retained so it survives the political cycle?

- Rio Tinto finds agreement making (which can take five years) is the best way to invest in building local capacity – investing in experts and mentors (e.g. retired people) to build the capacity of local people and trustees to engage. This empowers communities to query things from government and resist philanthropy. The ideal approach is to adopt customary law and culture, and support it through the process.
- As there are not many examples where companies have worked together in a region, what are the relative benefits and costs and lessons from that for ICMM to promote to members? Usually one company takes the lead and invites others to come in e.g. join a liaison committee, not a specific implementation committee. Collaboration is difficult; fundamentally our industry is highly competitive – there is a good reason to see socio-economic development as pre-competitive but it will require a major cultural shift to achieve this. In some cases a ‘Special Purpose Vehicle’ can facilitate partnership building - e.g. the Lake Victoria Development Corridor or the Mozambique Development Corridor.
- A challenge for better integration is that ‘donors typically don’t include mining in private sector development at the local level’. However at the 2007 Big Table (organized by the Economic Commission for Africa (ECA) and the African Development Bank (AfDB)) the idea was floated that the ADB provide funds to strengthen the local private sector.
- A legally-required Social Impact Assessment (SIA) is not the same as planning on the basis of a socioeconomic knowledge base. SIA are ‘framed by government to demonstrate that citizens’ rights are being respected. However, they do not look at the potential for opportunities for people. They can be a hindrance as they can provide an excuse for management to not gather the tailored knowledge base needed’.
- ‘Donor Agencies should be cautious of the risks of putting funds into junior mining companies, which are very risky vehicles’, instead donors should consider supporting the building of strong contracting and EPCM services to support mining companies, which is less risky. ‘Although taking an equity stake for communities has high symbolic value – it actually carries high risk and often ends in commercial disaster’.

Final Observations

The panel was asked to give their final observations on the workshop and the issues. These were as follows:

- **It is clear that we need a new business model** – moving beyond CSR to move towards ‘true RDP’.
- **Make the robust case that makes business sense to sell to shareholders and Boards using data.** Other competitors are doing this already e.g. China is embracing infrastructure as the key to development. African Mining Vision calls for some of these things.
- **Be realistic about the differing priorities and goals for different institutions** – understand their different goals and perspectives, and don’t expect local or national government to cover all perspectives. The goal is to broaden the agenda and broaden geographically. We can see that it is not easy but it is possible. We cannot pretend that there is a single answer, but we can learn lessons.
- **Capacity Building** - The local authorities with which to engage are often very small with no resources or skills so we need a decentralized approach before starting this type of discussion. There is a real need to build capacity – by sharing knowledge and transferring experience (between peers e.g. municipalities). Companies should aim to bring to the table what they can. ‘Planning is back’ in Africa but the lack of capacity makes it difficult to achieve this vision.

- **Leverage of Resources** - Companies need to help communities to leverage public investment and leverage other funds to achieve more. Leverage makes a better case internally too.
- **Enabling Environment** - All partners are engaged in RDP because they hope to see structural transformation based on private sector development, but modern PSD is more about permissive frameworks. There are certain entry conditions that enable this e.g. in the Dominican Republic a law was passed to allow municipalities and others to steer their own development planning process locally. AMV is very donor driven – but governments must recognize that they don't need to do much to trigger the permissive entry conditions.
- **Multigenerational wealth transfer** - to what degree should companies focus on the future generations or to benefit the current generation? Companies need to be conscious of context. Is there a capacity to think of future generations with immediate needs? e.g. Chad – when there was a pressing immediate issue, and then funds put aside may be used for a different purpose in order to address short term issues.
- **Rents** - If there are rents over 25 years you need to find a way to convert them into capital that will remain. Mining revenues are absorbed into the main budget processes in well-managed economies. Mineral development funds do not work. In developing countries mining revenues should be used to invest in good public finance management and a fair tax system, and thereafter the public administration system should be trusted to manage the country's finances effectively. It is not effective to earmark or trace where mining revenues should go.
- **When there are several mining companies in the region it is more complicated.** There may be a clear case of infrastructure posing problems of anti-trust and competition.

WORKSHOP CLOSING STATEMENTS FROM THE CHAIR

At the start of the meeting a diagram was shown suggesting that if RDP is a wheel, then companies should be the spoke, not the hub of development. The Chair drew on this metaphor in summarizing the core points of the meeting, **comparing the regional development planning process to riding a bicycle**:

1. The need to build capacity in other partners (govt., community, NGOs)
 - a. think about whom is steering the bicycle? *Who should be steering?*
 - b. who else is pedaling? – is everyone involved or do some have a free-ride?
 - c. plan ahead to take the training wheels off the bike, as leaving them on too long creates a dependency issue.
2. Timing is key – don't rush – think of the Tour de France marathon; this is not a sprint
3. Intergenerational considerations – a unicycle may meet expectations today, but not for future generations who will demand a state-of-the-art bike. Companies need to look ahead to what will be needed and expected over the lifetime of the project
4. Interventions must be premised on a knowledge base – without a map you can't see where you're going
5. Leverage funds (and skills) as much as possible – good for all.
6. Companies should try to act as an honest broker
7. The bicycle is only useful if it *moves* - planning is good, but implementation is also critical (and this is the trickier bit).
8. You may fall off the bike – setbacks are inevitable, but get back on and keep going.

The workshop was then closed. All attendees were asked to complete feedback forms via email after the workshop. The results of this feedback are summarized below.

The summary of the coffee-break voting was as follows: *(Note this was a very rough 'straw poll')*

Opportunities of integrating Mining into RDP?

- Opportunity to influence local planning development (8)
- Will lead to better post-closure legacy (4)
- Opportunity to build capacity for local partners (2)
- Improved relationships with stakeholders (2)

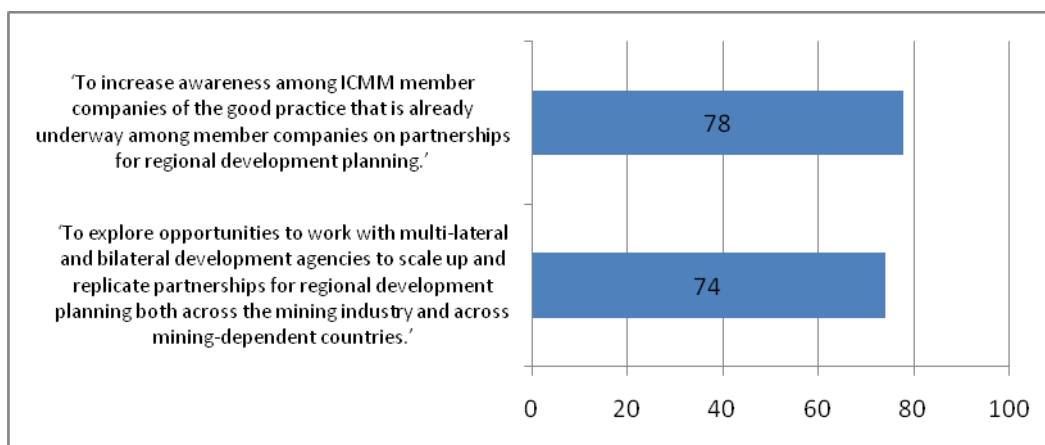
- Ability to leverage multiple funding opportunities (1)
- Mining company collaboration in a region can be a powerful ingredient (Individual CSI projects become part of the bigger picture)(3)
- Can establish competitive advantage (0)
- Show knowledge of local infrastructure needs (0)

Challenges of integrating Mining into RDP?

- Limited govt capacity to plan for future growth (6)
- Limited govt capacity to administer funds / RDP (3)
- Dependency on the company (3)
- Mining company collaboration in a region can be a powerful ingredient (Individual CSI projects become part of the bigger picture)(3) *(I think this should really be an opp.)*
- Lack of RDP structure or authority (1)
- Differing partner priorities (1)
- Takes considerable senior level time (1)
- May be no local partner to partner with (1)
- How can (e.g. Chinese investment) be incorporated into RDP partnerships? (1)
- Small / Medium companies may not have multi-decade life from the outset (1)
- Is there any way to catalyse national presidential and Corporate CEO “championing” of major emerging partnerships? (Value of leadership) (1)
- Can raise expectations of future funds for maintenance (0)

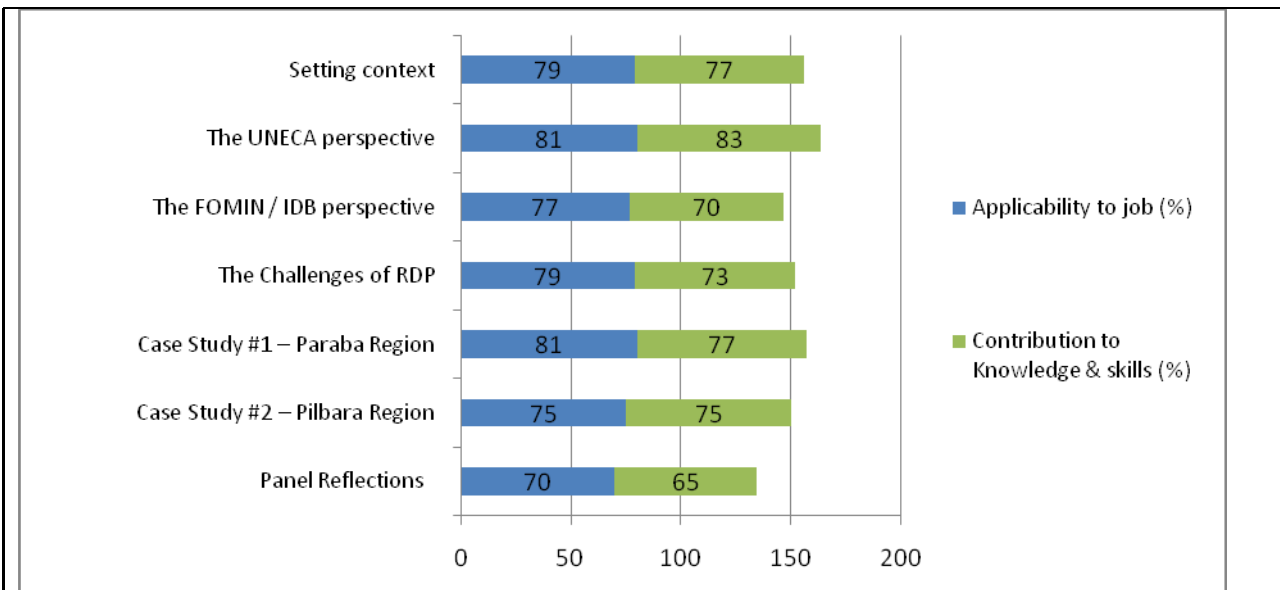
Govt may not fulfil role for political reasons (0)

The feedback form was emailed out to all attendees. 15 detailed feedback responses were received, with a good number of comments. The average response to whether the workshop met the stated objectives (as a % rating) was as follows:



Note: Whilst this workshop adopted similar objectives to the previous workshop in the series, given the more emerging nature of RDP, the primary focus was on increasing awareness, hence the slightly lower score for objective #2. It should also be noted that ICMM sent out informal introductions to facilitate some side meetings between the panelists and members, which has resulted in some additional discussions around potential partnerships. This was not made clear to all attendees, but has proven a useful action that will be repeated in future as part of promoting broader partnerships.

When asked to rate each session in terms of applicability to the attendees job, and contribution to their knowledge and skills, the percentage rating was as follows:



The main insights that attendees took from the workshop have been clustered as follows, but the order does not reflect any particular ranking:

- **Activity** - There are others working on similar ways of improving sustainable development outcomes including through RDP – and we need to find ways to continue mutual collaboration. There ARE some good examples already from leading companies of RDP in practice. Some of the companies are way ahead of the curve but they remain statistical outliers.
- **Integration** - There remains much to be done to get mining (back) on the agenda of the Inter-governmental Agencies and the IFO's – both multilateral and bilateral. There IS some relevant thinking action in key UN agencies and UNECA are doing more in this area than I previously knew.
- **Process** - The process to promote the project by creating a good partnership.
- **Content** - The "Hub and spoke" concept; Mine lifecycle dynamics and RDP; The "Mining: partnerships for development - core themes" slide is a very illustrative/powerful visual tool
- **Big picture** - The potential value of broader geographic focus on future projects (e.g., the identification of opportunities that may not otherwise exist or be recognized);
- **Long term engagement** - The importance of taking a longer term view and approach to building capacity within the local communities. Far more time is required in negotiating agreements than may be anticipated from the outset.
- **Information** - Reinforced the importance of gathering sound baseline data and to share information with various organizations
- **Developing broad partnerships** - not just with governments but with civil society also. True community partnerships are imperative, as are the Importance of the public-private partnerships.
- **A systematic approach to community development programs** - Companies should not make decisions in a vacuum and “build the shiny hospitals and schools,” to suit their own PR agenda. There is a need to supporting in-country strategic planning and information systems.
- **Relationships** - creating a relationship is vital and continuity of leadership will ensure and define success. In this the stakeholders continuously know who the common contact is and in that one can have more meaningful timelines. The trust aspect is critical. The success is that the community was part of the journey and their involvement created the success.
- **Communities** – there is a need to put measures and resources in place to pragmatically interact with local communities; ask the questions, not just give the solution.
- **Key Players** - Companies have the wrong people involved in this space; we do not need publicists, communication people and macro economists. We need hands-on practitioners who deal with hard-scrub reality, not theory. Too much emphasis is placed on top down, agency and government intervention trying to make RDP work, but societies are run by thousands of people. Companies and "officials" need to get behind this process and shepherd it, not attempt to control it.

The feedback on areas of improvement was as follows:

- **Only partially met objective 2:** the workshop seemed more about improving mutual understanding than specifically exploring opportunities to work together. In this context it was very successful – and certainly raised awareness of the work of the IADB, but what is now going to happen to get partners to work more closely together? Also ‘development agencies are not yet really getting engaged, willing or able to work together’. On a practical level to have achieved this objective would have needed some sort of ‘speed dating’ type arrangement, putting individuals together. All the workshop could do was present examples of where it had happened, and what the other side was doing so as to show that partnerships are possible.
- **Content** – Would be good to learn about the mistakes that were made along the way; Showcase studies from ‘more difficult countries’; Identify tools that countries are using for planning (government)
- **Format** - A little more time for Q&A would have been nice - limit the case study presentations to 15 minutes to enable additional presentations and discussions; Fewer cases, more in depth discussions.
- **Attendees** - It somehow needed to somehow attract a few more of the most senior decision makers from the larger ICMM member companies. Would be good to get more practitioners, but how?

Timing & Logistics - A less early start; a smaller room that lends itself to a more interactive discussion.

Attendees

Name	Organisation	Position
Mark Brasler	African Rainbow Minerals	Executive Operations Support
Nerine Botes-Schoeman	African Rainbow Minerals	Group Manager & SD Reporting
John Groom	Anglo American	Safety and SD Advisor
Steve Botts	AngloGold Ashanti	Vice President, Sustainable Development and Regulatory Affairs
Paul Hollesen	AngloGold Ashanti	Vice President Environment and Community Affairs
Thandi Njoko	AngloGold Ashanti	Community Affairs Manager
Andrew Parsons	AngloGold Ashanti	Environmental Policy Adviser
Yedwa Simelane	AngloGold Ashanti	Senior Vice President: Corporate Affairs
Johan Lesley Viljoen	AngloGold Ashanti	Senior Vice President SHE & SD
Ian Wood	BHP Billiton	Vice President Community Relations & Sustainability
Nikisi Lesufi	Chamber of Mines of South Africa	Senior Executive
Maria Francisca Dominguez	Codelco	Director of Studies on Sustainability
Eduardo Sanzana	Codelco	Sustainability Manager
Kate Lloyd-Williams	Consultant	Consultant
Olle Ostensson	Consultant	Consultant
Dave Prescott	Consultant	Consultant
Stan Batey	Freeport	Senior Advisor, Social and Community Development
Greg Probst	Freeport	Director of Communications
Dina Aloï	Goldcorp	VP CSR
Helen Anderson	Goldfields	EHS Manager
Naseem Ahmed Cholian	Goldfields	Senior Vice President: Sustainable Development
Sven Luncsche	Goldfields	Manager Corporate Affairs
Omar Contreres	Goldfields	Exploration Risk Manager

Diego Ortega Meneses	Goldfields	Head of Corporate Affairs and Legal
Anne-Marie Fleury	ICMM	Associate Programme Director
Kathryn McPhail	ICMM	Senior Program Director
Sara Ovuike	ICMM	Program Officer
Miguel Aldaz	InterAmerican Development Bank	Head of Partnerships - Presidents Office
Claudio Cortellese	InterAmerican Development Bank	Head of Access to Market & Capabilities Unit Multi-lateral Investment fund
Richard Taylor	MMG	GM Corporate Affairs for Asia
Joe Pollara	Newmont	Senior Director, Environmental & Social Responsibility
Scott Lewis	Newmont	Senior Director Environmental & Social Responsibility
Michiharu Yamamoto	Nippon	General Manager, CSR Department
Mark Essex	Oxford Policy Management	Consultant
Alan Roe	Oxford Policy Management	Director
Rodney Thomas	Prospectors & Developers Association of Canada	Second Vice President
Bruce Harvey	Rio Tinto	Global Practice Leader-Communities
Pat Dillon	Teck	Director, Employee Communications and Director, Industry RelationsEngagement
Doug Horswill	Teck	Senior Vice President Sustainability and External Affairs
David Parker	Teck	Vice President Sustainability
Antonio Pedro	UNECA	Director of Eastern & Southern Africa UNECA
Natascha Nunes de Cunha	Vale	Senior Analyst - International Projects
Carla Decotelli	Vale	Corporate Medical Adviser
Liesel Filgueiras	Vale	General Manager Corporate Social Responsibility
Pamella Knop	Vale	International Social Responsibility Coordinator
Dr Mario Velosi	Vale	

