

Employment, Local Purchasing and The Shared Value Paradigm: Challenges and Opportunities

Sessions 12 and 14
IGF Annual General Meeting
26 October 2016

The Challenges:



FACILITATOR: Howard Mann - Senior International Law Advisor, IGF Secretariat/IISD

PANELISTS:

- Perrine Toledano - Head, Extractive Industries, Columbia Center on Sustainable Investment
- Johannes Danz - Program Officer, Federal Institute for Geosciences and Natural Resources (BGR), Germany
- Milasoia Cherel-Robson, Economist, UNCTAD
- Isabelle Ramdoo - Senior Advisor, Investment and Linkages, AMDC

How did this panel originate?



- IGF 2014: Theme was social and economic development aspects of mining and sustainable development
- One panel on new technology directions
- Raised the question for some of us here today on the panel: what do these new technologies mean for the shared value paradigm, is it a mirage? Perrine Tolledano, CCSI

How did this panel originate?



- Same time: other organizations beginning to raise questions, and elements of these emerged last June at the OECD NR-PD meeting
- BGR: local access to purchasing chains in traditional technologies raises several questions, Johannes Danz
- UNCTAD: research on the role of shared value as a stepping stone to development in Central Africa, Milaso Chérel-Robson
- AMDC: working on implementing the shared value issues in the AMV through CMVs: Isabelle Ramdoo

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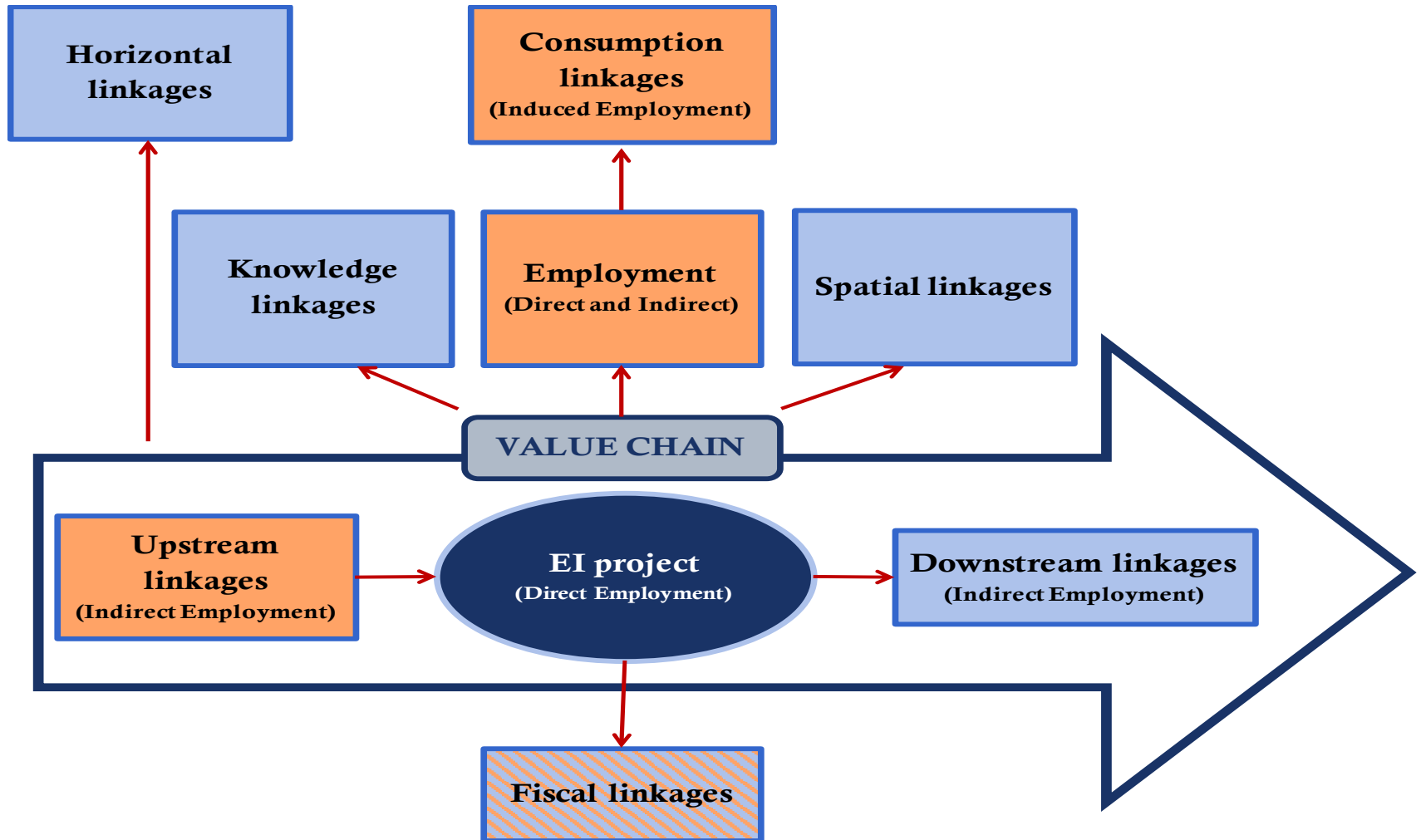
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Elements of the shared value paradigm



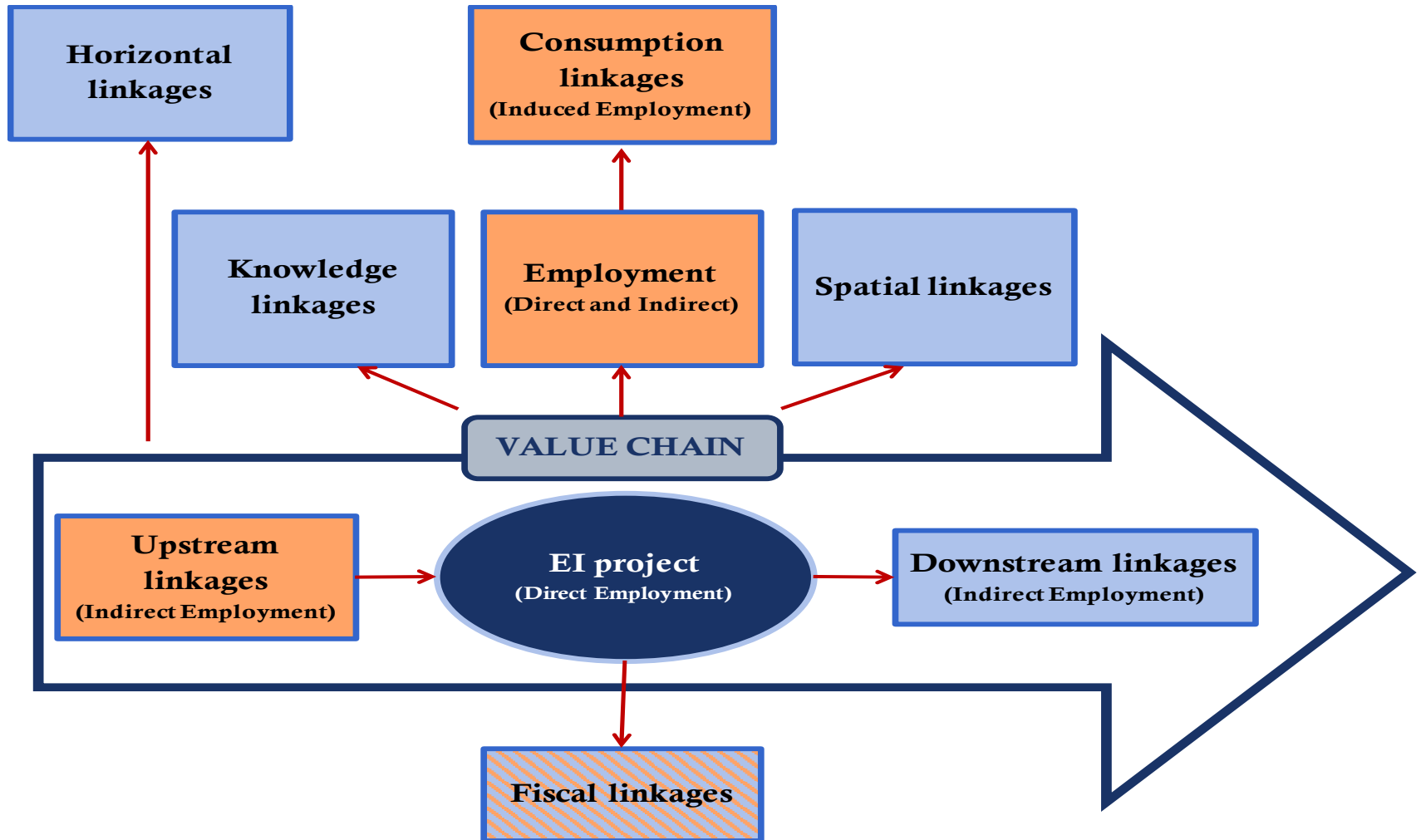
The Opportunities



PANELISTS:

- Jeff Geipel - Venture Leader, Mining Shared Value, Engineers Without Borders Canada, *Standardizing Reporting on Local Procurement to Harness Mining's Largest Economic Impact*
- Lahra Liberti – Head, Natural Resources, OECD Development Centre, *OECD Framework on Collaborative Strategies for In-Country Shared Value Creation*
- Delayne Weeks - V.P. Social Development Angkor Gold Corp, *Shared Value In The Mining Cycle – Balancing Technology And Impact*

Elements of the shared value paradigm



Fiscal and Equity elements as a response?



- Shared value will not go away as a demand
- Report on the settlement of a mining arbitration between Venezuela and Gold Reserve for the Brisas Cristinas project:
 - Cash settlement of about 1B+ USD
 - 55% equity in new joint venture company for Venezuela
 - Board of directors: 4 Venezuela and 3 Gold reserve appointments
 - progressive royalty scheme based on period of production (increases every 10 years)
 - progressive profit sharing schemes based on commodity prices
 - fixed rate service fees to the mining company



Thank you!

Howard Mann

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