

## **1. Policy and Legislation** **Overview**

To manage social and environmental risks and impacts, to maximize social and economic benefits from mining activities and to enhance development opportunities related to mining investment, governments would ideally rely on a broad set of policies, laws, regulations and guidelines as well as having the institutional capacity to provide a sound basis for the approval of mining environmental and socio-economic corporate plans and to meet the ongoing need for monitoring and enforcement.

For many governments, the achievement of a fully developed set of policies, legislative tools and governance capacity may be a challenging goal, particularly in the short to medium term. Even developed nations, that may have adequate laws and regulations, have reduced their capacity to provide approval and monitoring oversight. Instead of reviewing action plans in detail, they are now requiring that plans be prepared by experienced and qualified persons and, depending on the subject, that they be verified by independent experts to validate recommendations or to verify the interpretation of key information. Similarly, countries may, in the absence of detailed requirements of their own, rely on standards such as those provided by the IFC, other countries or utilize other practices and procedures to place the onus and cost on mining companies to provide external validation of plans and performance reports.

No country should avoid the establishment of key policy directions or the provision of adequate capacity for monitoring and enforcement but for many aspects experience indicates that a balanced use of external resources may enable governments to better focus their scarce resources on priority issues. Particular features of a legislative regime that would shift the onus for details and quality control to mining companies would be requirements for companies to:

- Conduct social and environmental assessments in an integrated manner conducted by qualified and experienced persons,
- Retain external experts to assist in the assessment and validation of proposed plans and performance reports,
- Establish a management program to ensure the implementation of approved measures, their continued effectiveness and their improvement,
- Establish an on-going process of community engagement,
- Establish environmental and social monitoring programs based on international standards and validation procedures,
- Report on performance and the implementation of action plans

Countries are making progress in meeting the challenge of enhancing their capacity to manage mining activities through improvements in the areas policy, legislative regime, approvals, monitoring and enforcement. However, it is recognized that, despite the use of external standards and practices, other forms of assistance will be required to build the institutional capacity required for governments to meet their responsibilities in a manner they may consider adequate.

## **1. Policy and Regulations -Survey**

1. Do you generally agree with the perspectives and statements in the preceding overview?  [Yes]  [No] If No, please identify those aspects with which you have a major disagreement.


2. Does your country have an adequate framework of policies, laws, regulations and other practices for the governance of the mining industry in your country?  [Yes]  [No]

3. If No, in which parts of the framework does your country have the greatest needs for improvement?

	High	Medium	Low
Policy			
Legislative Regime			
Approvals			
Monitoring			
Enforcement			
Other -			

4. Has your country adopted any external standards or practices for application to the mining industry?  [Yes]  [No]

If Yes, which ones?


5. Does your country require that mining companies undertake any of the following?

- Conduct of social and environmental assessments conducted by qualified and experienced persons?  [Yes]  [No]
- Retain external experts to assist in the assessment and validation of proposed plans and performance reports?  [Yes]  [No]
- Establish a management program to ensure the implementation of approved measures, their continued effectiveness and their improvement?  [Yes]  [No]
- Establish on-going processes of community engagement?  [Yes]  [No]
- Establish environmental and social monitoring programs based on international standards and validation procedures?  [Yes]  [No]
- Report on performance and the implementation of action plans?  [Yes]  [No]

6. Once you have completed the remaining sections of this survey, please list below your country's most important priorities for future action in terms of improving its ability to ensure that mining companies meet their environmental, social and economic responsibilities and improving your country's ability to optimize the benefits that can flow from mining activities.


## **2. Mine Permitting Process** **Overview**

The permitting process is one of the most valuable tools that governments can utilize to ensure that new mining developments are planned and undertaken in a manner that fully considers and responds to the environmental, social and economic risks, impacts and opportunities of a project and that maximizes the potential for sustainable outcomes for the affected communities and the country. It is essential that all issues and opportunities be dealt with in a comprehensive manner at the permitting stage of a mining project in order to provide a solid base for the development of sustainable outcomes within a constructive framework.

In granting permission to proceed with a mining development, best practice dictates that governments require the submission of integrated social, economic and environmental assessments. Such an assessment report should contain a description of existing conditions, the identification of possible risks and impacts related to the proposed mining activities and an assessment of the proposed mitigation or management measures and actions. The report should also be required to identify opportunities and propose programs that will create sustainable benefits over the long-term based on an assessment of local conditions. (Section 5)

Closure plans and the provision of adequate financial assurance should also be an integral part any permit application. (Sections 13 & 14) Where applicable, permit applications should address important social issues such as indigenous peoples, cultural heritage, resettlement, and community safety and security. (Section 4)

Governments should also require that mining companies, in preparing their applications for a mining permit, consult with communities and other stakeholders at all stages of the assessment and planning process and document the nature and results of their engagement program in the permit application. (Section 3)

## 2. Mine Permitting Process - Survey

1. Do you generally agree with the perspectives and statements in the preceding overview?  [Yes]  [No] If No, please identify those aspects with which you have a major disagreement.


2. Has your country established laws and regulations covering the permit application process for new mine development?  [Yes]  [No]

3. Do these requirements cover:  [Yes]  [No]

	<input type="checkbox"/> [Yes]	<input type="checkbox"/> [No]
Environment Only		
Stakeholder Engagement		
Closure Plans		
Financial Assurance		
Social Impacts		
Social Benefits		
Economic Benefits		
Other - Describe		

4. Does your country have adequate financial and human resources to adequately consider and evaluate permit applications?  [Yes]  [No]

5. To what extent does your country seek external advice to judge important issues in the permit application?

[Not at all]  [Sometimes]  [Frequently]

6. Does your country mandate that communities be appropriately engaged on matters that could potentially affect them?  [Yes]  [No]

7. In what ways has your country's approach to the approval of new mine developments improved since 2002?


8. Which aspects of your country's approach to mine permitting issues would you prioritize for future improvement?


9. Which would help the most?

	Yes	No
Technical support from multilateral agencies		
Financial resources to hire third party		
External advice re laws & regulations		
External support for training		
Other(Describe below)		

10. Comments

---



---



---

### **3. Community Engagement Overview**

The purpose of community engagement is to establish and maintain a constructive relationship with affected communities over the life of the project. An effective engagement process allows the community's views, interests and concerns to be heard, understood, and taken into account in project decisions and the creation of development benefits. Depending on the nature and stage of the project, its risks and potential impacts, the size and characteristics of the communities, and the stage in the project cycle, engagement will entail varying degrees of interaction between the company and affected communities.

For the permitting process, best practice dictates that mining companies should be required to undertake a process of consultation in a manner that provides the affected communities with opportunities to express their views on project risks, impacts, and mitigation measures, and allows the company to consider and respond to them. Effective consultation:

- Should be based on the prior disclosure of relevant and adequate information;
- Should begin early in the social, economic and environmental assessment process;
- Will focus on the social and environmental risks and adverse impacts, and the proposed measures and actions to address these;
- Will identify social, economic and environmental opportunities to add sustainable benefits in keeping with community needs.

At all other stages of the mining cycle, exploration, construction, operations and closure, effective engagement programs have been found to be equally effective in establishing constructive relationships with local communities. Industry guidance and support for engagement programs are provided by the Prospectors and Developers Association of Canada through its Framework for Responsible Exploration. Several industry associations also promote active engagement programs throughout all stages of the mining cycle. Typical performance measures include:

- Community of Interest Identification
- Effective Engagement and Dialogue
- Response Mechanisms
- Reporting

Practices developed by governments to require or promote community engagement, primarily for new developments and closure, include:

- Requiring for that information be made available to the public for information and commenting purposes,
- Requiring that a plan of engagement be provided to the government for its review,
- Requiring a description of engagement process actually followed and a description of the issues raised and how they have been addressed.

### **3. Community Engagement - Survey**

1. Do you generally agree with the perspectives and statements in the preceding overview?  [Yes]  [No] If No, please identify those aspects with which you have a major disagreement.


2. Does your government have laws, regulations and/or guidelines that require mining companies to engage local communities;
- As an integral part of the permitting process?  [Yes]  [No]
  - In the preparation and revision of closure plans?  [Yes]  [No]
  - During the exploration stage?  [Yes]  [No]
  - During the operating stage?  [Yes]  [No]

3. Does your country require, as part of the permitting process, the documentation of the engagement process, the description of issues of importance to the community and the company's response to such issues?  [Yes]  [No]

4. What percent of operating mines in your country have established effective ongoing engagement programs with their communities? (\_\_\_\_%)  
[Or how many\_\_\_\_\_]

5. What percent of exploration projects in your country have established effective ongoing engagement programs with their communities? (\_\_\_\_%)  
[Or how many\_\_\_\_\_]

6. What percent of the operating mines in your country provide, at least annually, sustainability reports to their communities? (\_\_\_\_%)  
[Or how many\_\_\_\_\_]

7. Which aspects of your country's approach to community engagement would you prioritize for future improvement?


11. In what ways has your country's legislative framework or practices improved since 2002 with regard to community engagement?


8. Comments:

---

---

---

## **4. Global Social Issues** **Overview**

Mining operations and exploration and development projects may encounter social issues that are both complex and challenging to both the industry and to host governments. In particular, IFC has identified human rights, land acquisition and involuntary resettlement, indigenous peoples, cultural heritage and labour and working conditions as social issues that need particular attention by companies in emerging markets and have established performance standards to guide their assessment and the manner in which they should be addressed.

A range of other international instruments with a high degree of legitimacy have also been developed to drive improvement on social issues. They include

- ILO Conventions
- United Nations Universal Declaration on Human Rights
- UN Declaration on the Rights of Indigenous Peoples
- Global Reporting Initiative (GRI)
- United Nations Global Compact,
- Voluntary Principles on Security and Human Rights
- Equator Principles

While many of these initiatives are generally directed at all industries and public development projects, national governments have the primary responsibility to ensure the adoption of policies and laws and to ensure that high standards of conduct are achieved by the mining industry. Such instruments provide an excellent starting point for the development of policies and laws or, more expediently, by governments insisting that individual instruments be applied, whole or in part, by companies within their jurisdiction.

Many mining companies and industry associations have responded to their social challenges by using IFC Performance Standards and selected international instruments directly or in the development of their policies and practices. As an example, all ICMM member companies are required to implement the ICMM Sustainable Development Framework, which covers a number of social issues, and also to report in line with the Global Reporting Initiative. The Prospectors and Developers Association of Canada has, primarily for its members with international activities, recently adopted a Framework for Responsible Exploration to provide guidelines that complement or build on many of the initiatives mentioned above.

## 4. Global Social Issues Survey

1. Do you generally agree with the perspectives and statements in the preceding overview? [Yes \_\_\_] [No \_\_\_] If No, please identify those aspects with which you have a major disagreement.


2. Indicate in the table below which of the following instruments that your country has; (1) formally **adopted**, (2) **used**, is using or intends to use in the development of legislation or regulations and (3) used or intends to use, in whole or in part, as a **requirement** for companies to meet.

<i><b>Instrument</b></i>	<i><b>Adopted</b></i>	<i><b>Used</b></i>	<i><b>Requirement</b></i>
IFC Performance Standards			
Human Rights			
Resettlement			
Indigenous Peoples			
Cultural Heritage			
Labour			
UN Universal Declaration on Human Rights			
ILO Conventions			
UN Declaration on the Rights of Indigenous Peoples			
United Nations Global Compact			
Voluntary Principles on Security and Human Rights			
Equator Principles			
Global Reporting Initiative (GRI)			

3. Which aspects of your country's approach to social issues discussed in this section would you prioritize for future improvement? (For example; human rights, resettlement, indigenous peoples, cultural heritage, security, child labour, etc)


4. In what ways has your country's policies, legislative framework or practices improved since 2002 with regard to social issues?


5. Comments

---



---



---



## **5. Benefits: Enabling Environment**

### **Overview**

Mining activity in a country has the potential to create a wide range of benefits, not only in the local communities but throughout the country. Direct employment and the payment of taxes (Section 8) are the most visible advantages to a country, but, with an appropriate set of strategies and policies governments can identify and nurture opportunities of even greater overall potential for their country. The main areas of opportunity are:

- Mine related side stream opportunities
  - Direct employment
  - Purchases of goods and materials
  - Contract services
- Socio-economic programs in the local communities
- Mine infrastructure
- Downstream processing activities

In Section 6 the strategies that governments may use to generate economic benefits directly through local employment, the purchase of goods and materials and the use of local, regional and national contractors are discussed. Section 7 focuses on socio-economic programs in local communities and the strategies that have been successful in optimizing such benefits.

The development of a mine will in many cases require the construction of a number of infrastructure projects such as roads, power lines and access to water. With proactive policies significant sustainable benefits can be generated from those projects that may open a new part of the country and facilitate the development of other non-mine related activities such as forestry, agriculture, etc

Regarding downstream processing activities it is noted that such activities typically require access to high volumes of source material which is beyond the scope of most countries. While downstream processing may be a possibility in some cases, greater potential usually exists in pursuing the opportunities presented by the other activities listed above.

To enhance the realization of the many potential economic and social benefits from mining activities, there is a need for governments to provide an enabling environment through focused strategies and policies.

For example, the effectiveness of procurement and contracting programs will be highly dependent on having a supportive national policy, regulatory framework and administrative procedures that promote rather than hinder the creation of new businesses. From a strategic perspective, side stream business activities, related to a mine's sustainability initiatives, can generate a wide range of benefits that go beyond their original purpose, such as building long-term capacity in a community, and proactive government strategies to encourage business development within a country can enhance sustainable outcomes.

## **5. Economic Benefits: Enabling Environment** **Survey**

1. Do you generally agree with the perspectives and statements in the preceding overview?  [Yes]  [No] If No, please identify those aspects with which you have a major disagreement.


2. Does your country have a comprehensive and proactive strategy to fully capitalize on the potential benefits that may be derived from mining activities?  
 [Yes]  [Partly]  [No]
3. Does your government have the policies and programs to promote regional development to make fuller use of infrastructure projects establish for a mining operation?  
 [Yes]  [No]
4. Are there downstream processing activities within your country?  
 [Yes]  [No]
5. Does your government have policies that require mining companies to consider downstream processing activities as part of the permitting process?  
 [Yes]  [No]
6. Does your country have a national policy and regulatory framework that assists in the creation of new businesses in a proactive manner?  
 [Yes]  [No]
7. Is the time and cost required to legally establish a new business in country considered to be reasonable?  
 [Yes]  [No]
8. Comments?

## **6. Economic Benefits – Side Stream Overview**

Mining operations have the potential to generate economic benefits directly through local employment, the purchase of goods and supplies and the use of local, regional and national contractors. Such initiatives will typically be led by mine operating personnel and will relate to development, production and related activities on the mine site. Programs that are directed at serving the extended community or establishing new economic activities will typically be developed by community personnel from the mining company working with government and other stakeholders as discussed in Section 5.

Local employment is of major importance at all mining operations for both the community and the mining company. By maximizing the amount of local employees at an operation, the community will clearly benefit but it will also provide the company with a skilled and stable workforce. A successful employment program is best developed in collaboration with local communities and will establish quantifiable targets for employment, training and advancement. The commitment of a company to a comprehensive and proactive human resource program is essential to the achievement of sustainable outcomes.

Measures taken by governments and/or community groups to encourage the employment of local and in-country personnel have included:

- The establishment of employment targets and training levels as part of the permitting process,
- The requirement that a comprehensive human resource development program be tabled for review by government as part of the permitting process,
- The inclusion of human resource development plans in formal impact benefit agreements or memorandums of understanding with local community groups
- The regular reporting of progress in hiring, advancement and other key indicators in comparison to quantifiable targets.

In the same manner, agreed targets, documented plans and reporting requirements have been used for the maximization of supply, service and contracting opportunities in the local communities and beyond in the region and the country. To achieve such objectives, mining companies will have to develop proactive programs that will offer business and management training, skills development, transfer of technology, financial assistance and possibly legal and accounting advice. It has also been found that proactive government policies and requirements are also essential to ensure that systemic or governance problems do not become impediments to the formation of new business ventures

## 6. Economic Benefits – Side Stream - Survey

1. Do you generally agree with the perspectives and statements in the preceding overview?  [Yes]  [No] If No, please identify those aspects with which you have a major disagreement.


2. Does your country require mining operations to table:
- A Human Resource Plan?  [Yes]  [No]
  - A procurement plan for local and in-country goods and services?  [Yes]  [No]
  - A plan for the development and utilization of local and in-country contracting services?  [Yes]  [No]

3. Are mining operations in your country providing the employment levels of local and national personnel that you would expect?  [Yes]  [No]

4. Are mining operations in your country providing the level of economic benefits that you would expect from the purchase of goods and services and the utilization of local contractors?  [Yes]  [No]

5. Have any impact benefit agreements or memorandums of agreement been formalized by mining operations in your country that address labour, goods, services and/or contracting opportunities?  [Yes]  [No]

6. If yes, how would you rate the success of such agreements to generate benefits for the local and national economy?  
 [High]  [Partial]  [Poor]

7. Does your country require reporting on key performance indicators with regard to:

Local and National Employment	Yes	No
Procurement	Yes	No
Contracting	Yes	No

8. Which aspects of your country's approach to the generation of mine related economic benefits would you prioritize for future improvement?


9. In what ways has your country been able to increase economic benefits related to mine site employment and the purchase of goods and services since 2002?


10. Comments

---



---



---

## **7. Socio-economic Benefits - Overview**

Mining companies, governments, affected communities and other stakeholders have started, alone or in partnership, to provide extended access to health and education, assist in the development new and more productive economic activities and contribute the institutional development of communities. These programs typically relate to opportunities for sustainable benefits extending beyond those generated directly by mining operations through local employment, the purchase of goods and supplies and the use of local, regional and national contractors which will be discussed in Section 6.

Such programs are as varied as the communities for which they have been developed and the manner in which they were developed has been equally varied. The amount and nature of contributions by companies have depended on several factors including local needs, corporate attitudes, government requirements, fiscal regulations, community capacities and expectations, financial covenants, transparency, etc.

The reliance on corporate attitudes and generosity towards the support of socio-economic programs is obviously an important factor, but the move to more comprehensive and sustainable programs has been advanced by the IFC Performance Standards, the Equator Principles, NGO pressures and some governments. The common requirement is the preparation of integrated social and environmental assessments and the submission, as part of the permitting process, of plans that will not only address identified risks and impacts but also opportunities to create sustainable outcomes.

To further optimize corporate contributions, some governments require that socio-economic plans be submitted as part of the permitting process for separate review and approval and also requires plan updates and approvals on a regular basis. An additional feature that enhances the quality and scope of such plans is the requirement to describe the nature of the consultation process, the main issues or needs identified and how the company proposes to respond to the issues or needs raised.

As the scope of socio-economic programs has expanded so has the manner in which they are managed and funded. As an example, some mining companies have formal structures with committed funding, such as foundations or trusts, that can serve to make decision making more inclusive and socio-economic investment programs more transparent. Another important approach in increasing use is the formalization of agreements with communities on a range of issues including mine generated benefits and broader socio-economic opportunities including support for the generation of local businesses.

To date, best practice for maximizing socio-economic benefits in affected communities and the surrounding areas is the application of the social and environmental assessment process as put forward by IFC. However, its extension through other practices, such as the requirement for social plans related to country and local priorities and the use of more formal agreements have the potential to add significantly to the generation of sustainable benefits from mining.

## **7. Socio-economic Benefits - Survey**

1. Do you generally agree with the perspectives and statements in the preceding overview?  [Yes]  [No] If No, please identify those aspects with which you have a major disagreement.


2. Does your country require the conduct of social and environmental assessments as part of the permitting process of a quality generally in line with that required under IFC performance Standard 1?  [Yes]  [No]

3. Does your country require the preparation of a socio-economic plan for:
- New mines?  [Yes]  [No]
  - Operating mines?  [Yes]  [No]

4. What per cent of the mining operations in your country have developed socio-economic programs for the local communities?
- Comprehensive programs \_\_\_\_\_%
  - Partial programs \_\_\_\_\_%
  - Limited or no programs \_\_\_\_\_%

5. Does your government have a policy and the capacity to partner with mining companies on projects or programs of benefit to the extended community?  [Yes]  [No]

6. What formal arrangements or structures are being used in your country and, if so, are they being successfully used to expand the scope or number of socio-economic programs?

	Used	Successful	
		Yes	No
Impact Benefit Agreements			
Memorandums of understanding			
Foundations or Trusts			

7. Which aspects of your country's approach to the generation of sustainable socio-economic benefits discussed above would you prioritize for future improvement?


8. In what ways has your country been able to increase the socio-economic benefits from mining activities since 2002?


9. Does your government allow companies to deduct expenses for tax purposes incurred in their CSR and socio-economic activities?  [Yes]  [No]

10. Comments

---



---



---

## **8. Taxes on Mining Companies**

### **Overview**

Mining companies are subject to national corporate income taxes based on net profits where ever they operate. Such taxes are generally applied in the same manner as to other companies within a jurisdiction but special allowances for defined expenditures and/or accelerated deductions may be allowed in keeping with government policies.

Mining companies are also subject to levies on the mineral resource being mined. The resource levy is referred to as a mining tax if it is profit based and a mining royalty if it is revenue based. A resource levy may also be based on a combination of the two. The main features of a profit based mining tax are that it will typically result in lower tax revenue at the start of a mine but will generate more tax over the long-term and will capture more of a mine's profit during periods of high metal prices. The profit based structure also provides the opportunity to utilize incentives and deductions in support of other policy objectives. Revenue based mining royalties are characterized by regular revenues for governments from the start of production although higher cost mines will pay a higher percent of their profits as a royalty and, in times of low prices, they will have to pay the royalty even when losing money.

The corporate income tax and resource levy systems in a country, and how they are structured, can be important tools for governments to not only to raise money, but also to be used for the achievement of other policy goals such as:

- Regularize revenue inflows over time
- Encourage economic development of the nation's mineral resources
- Promote an expansion of mining activities through exploration
- Promote company investment in social and economic development programs
- Promote increased added value activities within the country
- Promote contributions to orphaned and abandoned mines programs

It is important that individual jurisdictions ensure that their tax systems contribute to the achievement of short and long-term revenue and economic development goals while also contributing to the optimization of benefits from social, economic and environmental opportunities.

For the tax system to be fully effective, mining royalty and mining tax returns must also be administered in a manner that companies' tax returns are submitted in accord with the intent of the tax legislation. For example, for regimes that rely on a mining royalty, the interpretation of what constitutes an arms length or fair value for a transfer of title between related parties is of vital importance to the determination of royalty obligations and profit determinations. The ability of a country to administer and audit its tax system is an significant factor in obtaining the maximum benefit from its tax regime.

## 8. Mining Taxes - Survey

1. Do you generally agree with the perspectives and statements in the preceding overview?  [Yes]  [No] If No, please identify those aspects with which you have a major disagreement.


2. Do you believe that your country's tax and royalty regime maximizes government revenue from taxes and royalties without discouraging investment?  [Yes]  [No]

3. Do you believe that your country's tax and mining levy regime is well structured in terms of its contribution to economic development goals while also contributing to the optimization of benefits from social, economic and environmental opportunities?  [Yes]  [No]

4. If you impose levies on the mining of your mineral resources, which system do you use?

	System Used
Profit based system only	
Royalty on revenues only	
Combination of both	

5. Does your country have any other taxes or levies applicable to the mining industry?  [Yes]  [No]  
If yes, please describe.


6. Does your country's tax and mining levy regime:
- Provide accelerated tax write-off benefits for mining projects/  [Yes]  [No]
  - Provide incentives for in-country exploration by tax-paying companies?  [Yes]  [No]
  - Provide tax benefits or relief for companies with added value activities within the country?  [Yes]  [No]
  - Allow deductions for expenditures on community based social and economic programs?  [Yes]  [No]
  - Allow deductions for contributions to orphaned and abandoned mines programs?  [Yes]  [No]

7. Does your country have adequate capacity to administer its mining tax regime effectively?  [Yes]  [No]

8. Which aspects of your country's approach to taxation issues would you prioritize for future improvement?


9. Comments

---

---

---



## **9. Distribution of Mining Benefits – Government Role**

### **Overview**

Governments have a responsibility to ensure that the corporate and personal taxes received as a result of mining activities are used to support their priorities at the national, regional and local levels in a transparent manner. It is important that governments look beyond national programs to ensure that mining's benefits can be recognized throughout the country and, particularly, in the regions and communities supporting mining development.

National governments have responded to this challenge in a number of ways. They include:

- The granting of taxing powers to regional governments,
- The payment of a percent of taxation revenues to local and regional governments,
- The use of tax credits to encourage broader investment by companies in services for regional communities,
- Providing support for or participating in community health, education, economic and other programs created by mining companies to enable their expansion to a broader population.

From a sustainability perspective, the importance of a government role in the development and delivery of most community programs is essential to ensure that sufficient capacity is developed to ensure their continuation in a sustainable manner upon closure.

An important initiative that speaks to the use of natural resource wealth is the Extractive Industries Transparency Initiative (EITI), which aims to strengthen governance by improving transparency and accountability in the extractives sector. Governments that are participating in EITI share a belief that the prudent use of natural resource wealth should be an important engine for sustainable economic growth that contributes to sustainable development and poverty reduction and are seeking to improve their own effectiveness in this regard.

## 9. Distribution of Mining Benefits – Government Role Survey

1. Do you generally agree with the perspectives and statements in the preceding overview?  [Yes]  [No] If No, please identify those aspects with which you have a major disagreement.


2. If your country has regional governments, have they been granted rights to levy mining taxes or levies?  [Yes]  [No]  [Not Applicable]

3. Has your government established mechanisms for the transfer of financial resources related to mining taxes to regional bodies?  [Yes]  [No]  [Not Applicable]

4. If yes, please describe briefly.


5. Has your government established tax credits or other mechanisms to encourage or support mining companies to provide community services or infrastructure for regional communities?  [Yes]  [No]  
If yes, please describe briefly.


6. Does your government participate in and provide support for the expansion of community health, education, economic or other programs being implemented by mining companies to enable their availability for communities beyond the immediate influence of a mine?  [Yes]  [No]

7. Has your country shown support for the Extractive Industries Transparency Initiative (EITI) by becoming a candidate or compliant member?  [Yes]  [No]

8. If not a member, is your country working to gain acceptance as a Candidate Member? <http://eitransparency.org/othercountries>  [Yes]  [No]

9. Which aspects of your country's approach to the transfer of financial resources related to mining taxes to local communities or regions would you prioritize for future improvement?


10. Comments

---

---

---

## **10. Environmental Protection – Water & Biodiversity** **Overview**

Potential environmental issues associated with mining activities include biodiversity, water use, water quality, waste rock dumps, tailings storage areas, hazardous materials, air quality, noise, vibrations, global warming/energy use and visual impacts.

In keeping with best international practice, governments should require that mining companies submit environmental management programs and updates for approval, during the permitting process and at key points during the operating stage, to ensure that potential risks and impacts have been recognized and are being monitored and addressed throughout the mining cycle. Mining companies should be required to conduct monitoring on a continuous basis and compile and submit performance assessments to government and the public based on standards as established by governments.

Mining has the potential to affect biodiversity throughout the life cycle of a project, both directly and indirectly. Being proactive in the assessment and management of biodiversity is important not only for new operations but also for those that have been operating for many years. Government regulatory requirements for the protection and enhancement of biodiversity are becoming more focused through support from IFC performance Standard 6 and ICMM's Good Practice Guidance.

The protection of surface water quality is of vital importance in all jurisdictions. The quality and quantity of mine effluent streams discharged to the environment, including storm water, leach pad drainage, process effluents, and mine works drainage, needs to be managed and treated to meet established effluent discharge guideline values. Groundwater water protection is equally important, particularly from waste dumps, tailings storage areas and leach pads.

Water use and conservation is of particular importance in arid regions or in regions of high agricultural potential and, in such cases, the implementation of water supply and conservation management plans by mining companies constitutes best practice.

**10. Environmental Protection – Water & Biodiversity**  
**Survey**

1. Do you generally agree with the perspectives and statements in the preceding overview? [Yes \_\_\_] [No \_\_\_] If No, please identify those aspects with which you have a major disagreement.


2. Does your country have the capacity to assess and approve environmental plans as submitted by mining companies? [Yes \_\_\_] [Partial \_\_\_] [Limited \_\_\_]

3. Does your country have adequate capacity to monitor, assess and enforce the implementation of plans and environmental regulations?

[Yes \_\_\_] [Partial \_\_\_] [Limited \_\_\_]

4. How important is biodiversity as an issue in your country?

[Very Important \_\_\_] [Important \_\_\_] [Less Important \_\_\_]

5. Has your country adopted IFC's Performance Standard 3 on Biodiversity Conservation and Sustainable Natural Resource Management or established equivalent requirements for application to mining projects?

- IFC's Performance Standard 3? [Yes \_\_\_] [No \_\_\_]
- Equivalent requirements? [Yes \_\_\_] [No \_\_\_]
- Other or partial requirements? [Yes \_\_\_] [No \_\_\_]

6. Has your country established water quality standards at least equal to international standards?

[Yes \_\_\_] [No \_\_\_]

7. How important is water supply and conservation as an issue in your country?

[Very Important \_\_\_] [Important \_\_\_] [Less Important \_\_\_]

8. Does your country require the use of water supply and conservation management plans in areas of concern?

[Yes \_\_\_] [No \_\_\_]

9. Which aspects of your country's approach to the water and biodiversity issues discussed above would you prioritize for future improvement?


10. In what ways has your country's policies, legislative framework or practices improved since 2002 with regard to water and biodiversity issues?


11. Comments


## **11. Environmental Protection – Mining Wastes**

### **Overview**

Mines generate large volumes of waste. Structures such as waste dumps and tailing areas should be planned, designed, and operated such that geotechnical risks and environmental impacts are appropriately assessed and managed throughout the entire mine cycle. Management of these structures during the mine life cycle is important to protect water quality, human health, safety and the environment.

In keeping with best international practice, governments should require that mining companies design, operate and maintain mine waste structures according to internationally recognized standards. Governments should also require that appropriate independent reviews be undertaken prior to development approval, when changes in design are proposed and at regular intervals during the operating phase.

Key issues to be addressed in the design and assessment of mine waste structures include:

- Geotechnical stability of the structures
- Surface water and groundwater protection
- Closure requirements

Best international practice, as developed by governments and multilateral organizations, requires that the following factors be considered utilizing internationally recognized methodologies.

- Safety or risk classifications
- Geochemical reactivity of the wastes
- Comprehensive risk assessments of the design, operating and closure schemes

Added best practice measures also include the requirement that all or certain aspects be carried out or certified by a “competent” or “qualified” person, that an operating manual be prepared to ensure the implementation and continued improvement of the plan and that emergency preparedness and response plans be prepared for all structures.

## **11. Survey: Environmental Protection – Mining Wastes**

### **Survey**

1. Do you generally agree with the perspectives and statements in the preceding overview? [Yes \_\_\_] [No \_\_\_] If No, please identify those aspects with which you have a major disagreement.


2. Does your country have the capacity to assess and approve waste storage plans submitted by mining companies? [Yes \_\_\_] [Partial \_\_\_] [Limited \_\_\_]

3. Does your country have adequate capacity to monitor, assess and enforce the implementation of design plans and ongoing performance?

[Yes \_\_\_] [Partial \_\_\_] [Limited \_\_\_]

4. Has your country adopted one or more internationally recognized standards established equivalent requirements for application to mining projects?

[Yes \_\_\_] [No \_\_\_]

If Yes, which ones?


5. If your country does not have a comprehensive set of standards, which of the following important aspects are addressed at the present time?

- |  |           |          |
|--|-----------|----------|
| ▪ Safety or risk classifications                   | [Yes ___] | [No ___] |
| ▪ Geotechnical stability of the structures         | [Yes ___] | [No ___] |
| ▪ Geochemical stability of waste rock and tailings | [Yes ___] | [No ___] |
| ▪ Surface water and groundwater protection         | [Yes ___] | [No ___] |
| ▪ Comprehensive risk assessments                   | [Yes ___] | [No ___] |
| ▪ The use of “competent” or “qualified” persons    | [Yes ___] | [No ___] |
| ▪ Independent reviews                              | [Yes ___] | [No ___] |
| ▪ Operating manual                                 | [Yes ___] | [No ___] |
| ▪ Emergency preparedness and response plan         | [Yes ___] | [No ___] |

6. Which aspects of your country’s approach to mining waste issues discussed above would you prioritize for future improvement?


7. In what ways has your country’s policies, legislative framework or practices improved since 2002 with regard to mining waste issues?


8. Comments


## **12. Emergency Preparedness Program**

### **Overview**

A mining related emergency is an unplanned event when a mining operation loses control of a situation that may result in risks to human health, property and/or the environment within the site boundaries, local communities and ecosystems and/or transportation corridors used by supply and service providers.

Emergency preparedness for mine related events is a corporate management responsibility and all mining operations should be required to have an emergency preparedness and response program prior to commencement of operations that is reviewed, tested and updated on a regular basis. The key elements of an Emergency Preparedness Program are:

- The identification of all possible hazards and their classification in terms of likelihood of occurrence and severity of possible outcomes.
- The minimization of residual risks through hazard elimination, engineering controls, procedures and education.
- The preparation of emergency response plans to ensure coordinated and fully-resourced response and control measures can be activated to meet the specific needs of all emergency situations within the mine site, vulnerable communities and transportation corridors.

All elements of the emergency preparedness program should be based on ongoing consultation and cooperation with local and other stakeholders and government.

While the responsibility for the preparation of emergency preparedness programs should rest with industry, governments have an important role to ensure that they are, in fact, prepared for all mining operations and meet best practice standards. It has been reported by UNEP's APELL program that national governments are responding to this need in a number of ways, by:

- Requiring the development of an emergency preparedness program as part of an environmental impact assessment for new operations
- Endorsing and promoting the APELL process at national or regional levels with the objective of establishing coordinated preparedness between mining companies, the local authorities and the local population.
- Requiring public consultation as an essential element in the development of emergency preparedness programs
- Providing emergency response assistance at the national, regional or local levels so that appropriate government departments and agencies are aware of and is prepared to cooperate with mining company response actions.
- Endorsing the application of international multilateral and industry codes

## 12. Emergency Preparedness Program Survey

1. Do you generally agree with the perspectives and statements in the preceding overview?  Yes  No If No, please identify those aspects with which you have a major disagreement.


2. Does your country have laws and/or regulations requiring the preparation of Emergency Preparedness Programs at individual mining operations?

Yes  No

3. If Yes, do your laws and/or regulations require:

- Public consultation and involvement?  Yes  No
- Regular reviews and updates?  Yes  No
- Response plans for emergency situations that may impact the local communities?  Yes  No
- Response plans for transportation or service corridors.  Yes  No

4. Does your government have the capability to participate in the development of emergency preparedness programs and to be part of coordinated emergency responses?  Yes  No

5. If your country does not have specific laws and/or regulations in this area, does it endorse the use of APELL and/or international multilateral and industry codes?  Yes  No

6. Which aspects of your country's approach to emergency preparedness would you prioritize for future improvement?


7. In what ways has your country's policies, legislative framework or practices improved since 2002 with regard to emergency preparedness issues?


8. Comments

---

---

---



## **13. Occupational Health and Safety** **Overview**

Occupational health and safety is primarily a company responsibility. Government's role is to ensure that each company within its jurisdiction accepts its responsibility through an appropriate set legislative requirements and monitoring and enforcement activities.

Mining companies that have been successful in achieving continued reductions in their accident frequencies:

- Demonstrate strong management commitment
- Utilize a comprehensive internationally accepted safety management system to drive progress
- Conduct regular audits to monitor progress
- Establish targets for performance and require regular reporting of accident frequencies, individual fatalities and incidents of occupational disease

Governments can also contribute to a significant degree to improved industry performance through a comprehensive set of occupational health and safety laws and regulations with appropriate monitoring and enforcement support, particularly in instances where a mining company may not have the commitment or systems required to meet national standards or best international practice.

Governments should have laws and regulations that require mining companies to:

- Provide its workers with a safe and healthy work environment, taking into account inherent risks in its particular sector and specific classes of hazards in the client's work area, including physical, chemical, biological, and radiological hazards.
- Prevent accidents, injury, and disease arising from, associated with, or occurring in the course of work by minimizing, so far as reasonably practicable, the causes of hazards.
- Address, at a minimum, in a manner consistent with good international industry practice:
  - The identification of potential hazards to workers, particularly those that may be life-threatening;
  - Provision of preventive and protective measures, including modification, substitution, or elimination of hazardous conditions or substances;
  - Training of workers;
  - Documentation and reporting of occupational accidents, diseases, and incidents; and
  - Emergency prevention, preparedness and response arrangements.

**13. Survey: Occupational Health and Safety**  
**Survey**

1. Do you generally agree with the perspectives and statements in the preceding overview? [Yes \_\_\_] [No \_\_\_] If No, please identify those aspects with which you have a major disagreement.


2. To what extent does your country have an adequate set of laws and regulations? [Limited \_\_\_] [Major issues \_\_\_] [Comprehensive \_\_\_]

3. To what extent does your country have mandated occupational health exposure guidelines? [Limited \_\_\_] [Major issues \_\_\_] [Comprehensive \_\_\_]

4. To what extent does your country have safety regulations covering workplace design and practices? [Limited \_\_\_] [Major issues \_\_\_] [Comprehensive \_\_\_]

5. Does your country have adequate resources to monitor and enforce the implementation of its health and safety laws and the performance of mining companies? [Yes \_\_\_] [No \_\_\_]

6. Does your country require companies to report on their occupational and safety performance using internationally accepted measures? [Yes \_\_\_] [No \_\_\_]

7. Which aspects of your country's approach to occupational health and safety would you prioritize for future improvement?


8. In what ways has your country's policies, legislative framework or practices improved since 2002 with regard to occupational health and safety issues?


9. Comments

---

---

---

## **14. Mine Closure** **Overview**

The term mine closure refers to all activities that are necessary for the development and implementation of a closure plan through all stages of the mining cycle. These include environmental, social and risk assessments, community consultation, program design, monitoring, research, pilot programs, redesign, implementation and post-implementation monitoring and remediation as required. An effective mine closure plan should be developed in consultation with all stakeholders and should address environmental, social, economic and labour issues within the context of sustainable development.

Key elements of corporate best practice include:

- A commitment to stakeholder consultation
- The establishment of closure planning as a key element of the management system and the integration of its components throughout the organization.
- The requirement that closure plans be developed and closure costs be included in valuations of all new mining investments
- Annual reviews of closure cost estimates for corporate reporting purposes
- Three year reassessments of all closure plans including an updating of objectives, plans and costs
- Periodic independent auditing of closure plans

To ensure closure plans prepared by mining companies are of a high standard and updated on a regular basis, governments should;

- Provide a legal and regulatory framework for closure, as well as institutional capacity to monitor and enforce its provisions
- Require that stakeholders be consulted in the development of closure objectives and plans
- Require that a comprehensive closure report and adequate financial assurance (see Section 15) be provided before the requisite development and mining permits for a new mine are approved
- Require the use of external experts by companies to participate in the development of to validate the quality of risk assessments, studies and program development for those issues of high risk, such as tailings dams, waste dumps and acid rock drainage
- Require that IFC Performance Standards and other internationally accepted guidelines and best practices be used in the development of specific closure programs
- Require the reassessment and independent auditing of closure plans every three years
- Provide adequate resources to monitor and enforce government requirements and validate closure plans when needed

## 14. Mine Closure Survey

1. Do you generally agree with the perspectives and statements in the preceding overview?  Yes  No If No, please identify those aspects with which you have a major disagreement.


2. Does your country have laws and/or regulations requiring the preparation of closure plans for individual mining operations? (Yes/No)

3. If Yes, do the requirements include:

- Public consultation?  Yes  No
  - The inclusion of socio-economic and labour programs?  Yes  No
  - The submission of a closure plan as part of the permitting process?  Yes  No
  - The submission of regular updates for each closure plan?  Yes  No
  - The use of “qualified” or “competent” persons for the conduct or validation of specified components of a closure plan?  Yes  No
  - The use of specified standards or requirements?  Yes  No
- If Yes, which ones?


4. Does your country have adequate resources to adequately review and judge the closure plans as submitted by mining companies?

Yes  No

5. Which aspects of your country’s approach to mine closure would you prioritize for future improvement?


6. In what ways has your country’s policies, legislative framework or practices improved since 2002 with regard to closure issues?


7. Comments.

---

---

---

## **15. Mine Closure – Financial Assurance**

### **Overview**

Adequate financial assurance is required to ensure that funds will be available for the eventual reclamation and closure of a minesite and the establishment of sustainable socio-economic programs in the surrounding communities. The manner in which this could be accomplished has been a topic of considerable interest during discussion periods at the last two Forums. The main concerns have been:

- How to get the amount of financial assurance right to begin with,
- What forms of security should be acceptable to governments
- Which institutions, with what safeguards, could be trusted to hold it safely?

Issues that have been addressed in legislation, regulations and guidelines for the provision of financial assurance include:

- The provision of an adequate level of financial assurance to cover the cost of all outstanding work programs at any time, including premature closure and the conduct of closure programs by third party contractors,
- The validation or approval of each closure plan and its cost estimates by government,
- The responsibility of government to establish or approve the quantum of financial assurance to be provided,
- The forms of security to be provided, including specific details and conditions,
- The qualifications of approved financial institutions to issue or hold a form of security.
- The ability of the government to order the performance of closure measures,
- The ability of the government to gain immediate and unencumbered access to the full amount of security based on its sole discretion,
- The drawn-down or release of security as each work program is completed or other requirements have been satisfied.
- The issuing of a closure certificate upon completion of a prescribed program.

For those jurisdictions that have existing requirements regarding financial assurance, not all the above issues are necessarily addressed and not necessarily in a complete manner, which presents difficulties for countries wishing to learn from the experience of others. Further difficulties are presented by differences between countries in terms of the stability and transparency of their financial institutions, the financial instruments they have at their disposal and currency exchange rates. There is no doubt that better guidance on the selection of financial institutions and safe forms of security is needed for many countries.

## **15. Mine Closure – Financial Assurance - Survey**

1. Do you generally agree with the perspectives and statements in the preceding overview?  [Yes]  [No] If No, please identify those aspects with which you have a major disagreement.


2. Does your country have laws and/or regulations requiring the provision of financial assurance for mine closure at the end of its planned life?  [Yes]  [No]

3. Does your country have laws and/or regulations requiring the provision of financial assurance for the sudden closure of a mine prior to the end of its planned life?  [Yes]  [No]

4. Do these requirements include provisions for the sustainability of socio-economic programs and the retrenchment of employees?  [Yes]  [No]

5. What percent of the mines in your country have prepared adequate closure plans? [How many \_\_\_\_\_] or \_\_\_\_\_%

6. What percent of the mines in your country have provided adequate financial assurance to cover their closure liabilities? [How many \_\_\_\_\_] or \_\_\_\_\_%

7. Has your country established:
- A list of approved forms of financial assurance?  [Yes]  [No]
  - A list or qualifications of approved financial institutions to issue or hold a form of security?  [Yes]  [No]

8. Does your country allow the financial assurance to be provided over an extended time period?  [Yes]  [No]

9. Which aspects of your country's approach to financial assurance for mine closure would you prioritize for future improvement?

	Priority
Laws and regulations	
Forms of financial assurance	
Qualifications of the institutions (banks/trust companies/insurers) authorized to provide or hold the security	
Determining the amount & timing of the financial assurance to be provided.	
Other	

10. In what ways has your country's policies, legislative framework or practices improved since 2002 with regard to financial assurance issues?


11. Comments

---



---



---

## **16. Orphaned and Abandoned Mines**

### **Overview**

Orphaned mines are defined as those sites for which the mineral and surface rights have reverted to the state, which, as the sole remaining authority, is left with the full responsibility for whatever regeneration work is required. An abandoned site is one where the legal owner of the mine is known but is unable or unwilling to take the necessary remedial action. It is noted however, that some jurisdictions do not distinguish between orphaned and abandoned mines in describing their programs and in other jurisdictions the terms “ownerless”, “historic” or “derelict” are used.

Many orphaned and abandoned mines have a significant impact on human health worldwide and result in death, persistent illness, and/or neurological impairment for millions of people, particularly children. According to one report, many of these deaths and related illnesses could be avoided with affordable and effective interventions.

There are many cases of individual jurisdictions and of specific initiatives where action has been taken on orphaned and abandoned sites that can be used to guide progress over the long-term and to identify the essential elements that are required to generate and maintain action in the short-term.

Experience has shown that governments can gain support from mining companies and other stakeholders for individual orphaned mines programs that are well justified and well planned. Much has been accomplished with limited resources by focusing on partnerships in the short-term. With the availability of assessment reports that provide compelling reasons for action and a credible intervention program, it is believed that a firm basis can be provided to attract partnership support and funding for a project.

Just as governments must accept that they must provide leadership within their jurisdictions, the mining industry and companies must recognize their responsibilities in helping to define and being part of the long-term financial solutions to the orphaned and abandoned mines dilemma. The international community, whose economies have benefitted from the supply of cheap resources, should also be expected to be part of the broad partnership that must be formed. Individual governments, particularly those with limited financial resources, need leadership to be provided by the multilateral organizations on a global scale to both attract money from the international community directly and from the mining industry.

**16. Orphaned and Abandoned Mines**  
**Survey**

1. Do you generally agree with the perspectives and statements in the preceding overview?  [Yes]  [No] If No, please identify those aspects with which you have a major disagreement.


2. Are orphaned and abandoned mines a significant problem in your country?  [Yes]  [No]

3. How many currently sites present a significant threat to human health and/or the environment?  [# of Mine Sites]

4. Has your government created a policy position and a structure capable of providing leadership for the work on high risk sites within your country?  [Yes]  [No]

5. How many high-risk sites are the subjects of current work programs?  [# of Mine Sites]

6. Does the mining industry in your country provide partnership support at individual sites and/or for the overall program?  [Yes]  [No]

7. Which aspects of your country's approach to orphaned and abandoned mine sites would you prioritize for future improvement?


8. In what ways has your country's policies, legislative framework or practices improved since 2002 with regard to orphaned and abandoned mines issues?


9. Comments:

---

---

---



## **17. Artisanal & Small-scale Mining**

### **Overview**

Artisanal and small-scale mining (ASM) is an important economic activity in many countries that many people rely on for their basic livelihoods. Unfortunately, many ASM activities currently present serious environmental, social, health and safety risks for workers, their communities and the local environment whether or not large-scale mining (LSM) is underway in any given area.

The Communities and Small-scale Mining (CASM) initiative is a global networking and coordination facility, supported primarily by the World Bank and UK's Department for International Development, with a stated mission to "reduce poverty by improving the environmental, social and economic performance of artisanal and small-scale mining in developing countries." Through a comprehensive approach to artisanal mining, the World Bank and CASM aim to transform artisanal and small-scale mining from a source of conflict and poverty into a catalyst for economic growth and sustainable development.

Working groups have been established by CASM for the following subjects with the objective of developing strategies to address many of the challenges that have to be overcome to enable ASM to make positive contributions to the alleviation of poverty and to sustainable development:

- Sustainable development and security
- Managing the Interface between LSM and ASM
- Vulnerable Groups and Livelihoods
- Industrial Minerals
- Mercury Management in Gold Mining
- Kimberley Process Workshop
- Fair and Ethical Trade Certification
- Policy and Legal Frameworks

In its first five years CASM and its member countries have made progress on priority areas, including:

- Governance and formalization
- Environmental, technical and socio-economic development
- Network building and partnership development
- Knowledge development and sharing

Current priorities identified by CASM are:

- Large-scale mining and ASM
- Gender equality
- Fair Trade

Forum member countries, as active participants in CASM, are working proactively to improve ASM in their countries. The support provided by CASM is important but the need for extra resources to accelerate ASM improvements is of vital importance in terms of the risks and impacts that currently exist.

**17. Artisanal & Small-scale Mining**  
**Survey**

1. Do you generally agree with the perspectives and statements in the preceding overview? [Yes \_\_\_] [No \_\_\_] If No, please identify those aspects with which you have a major disagreement.


2. Please rate the importance of ASM as an issue in your country in terms of its size, current risks and impacts and economic potential.

[High \_\_\_] [Medium \_\_\_] [Low \_\_\_]

3. Has your country made progress since the formation of CASM in 2002 in addressing some of the many issues associated with ASM?

[Yes \_\_\_] [No \_\_\_]

If, Yes, in which areas? (e.g. Worker safety and health, Environmental damage, Gender equality, Better sales prices, etc)


4. What are the priority ASM areas that need to be addressed next within your country?


5. How many large sale (LS) mining sites, either at the advanced exploration, feasibility, development or operating stages, are affected by ASM activities?

[# of \_\_\_ Sites]

6. What percent (or number) of these LS sites have:

- A good working relationship with the ASM sites \_\_\_\_\_% or #
- Minor problems \_\_\_\_\_% or #
- Significant problems \_\_\_\_\_% or #

7. What are the main improvements that have been accomplished at sites where improved practices and arrangements have been instituted?


8. What support does your country need to enlarge its ASM program?


9. Comments
