



Australian Government
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Australia's Mining for Development Initiative





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Contents



Overview of Australian assistance for sustainable mining across the world	2
--	----------

The Mining for Development Initiative— harnessing Australia’s expertise	4
--	----------

International Mining for Development Centre	5
---	---

Engaging with communities	6
---------------------------	---

Bringing international best practice to the table	6
---	---

Promoting transparency	7
------------------------	---

Supporting partnerships	7
-------------------------	---

Building skills and knowledge	7
-------------------------------	---

Supporting the Millennium Development Goals	8
--	----------

Australia’s current assistance in mining for development: making a real difference	10
---	-----------

Africa	10
--------	----

Papua New Guinea	11
------------------	----

Philippines	11
-------------	----

Extractive Industries Transparency Initiative	12
---	----

HIV/Aids	13
----------	----

Gender and Women	13
------------------	----



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The Mining for Development Initiative

Prime Minister's Foreword



Australians know ours is not just a lucky country—we are fortunate to have rich mineral resources while we also work hard to spread the opportunities these resources create to all our people.

We are one of the world's largest, most successful exporters of mineral commodities and recognised as a world leader in sustainable mining—mining that delivers long-term benefits to the economy and host communities, and to the natural environment as well.

Australia is also a generous country. We are keen to share our experience with partner countries to help them gain the most from mining's opportunities and reduce the risks an endeavour like mining will always involve.

In resource-rich countries, the mining sector can unlock significant socioeconomic benefits, reduce poverty and support progress towards the Millennium Development Goals. How much these benefits drive development depends heavily on whether countries rise to the institutional and political challenges.

Our mining companies are working in many developing countries, helping them to build a sustainable mining sector. We have developed a reputation for operating in an open and fair way and for being a good corporate citizen, responsible, ethical and faithful to the law.

Australia's new \$127.3 million Mining for Development Initiative builds on our position as a global leader in extractive industries, helping developing countries use their rich resources to grow their economies and provide social benefits to their people.

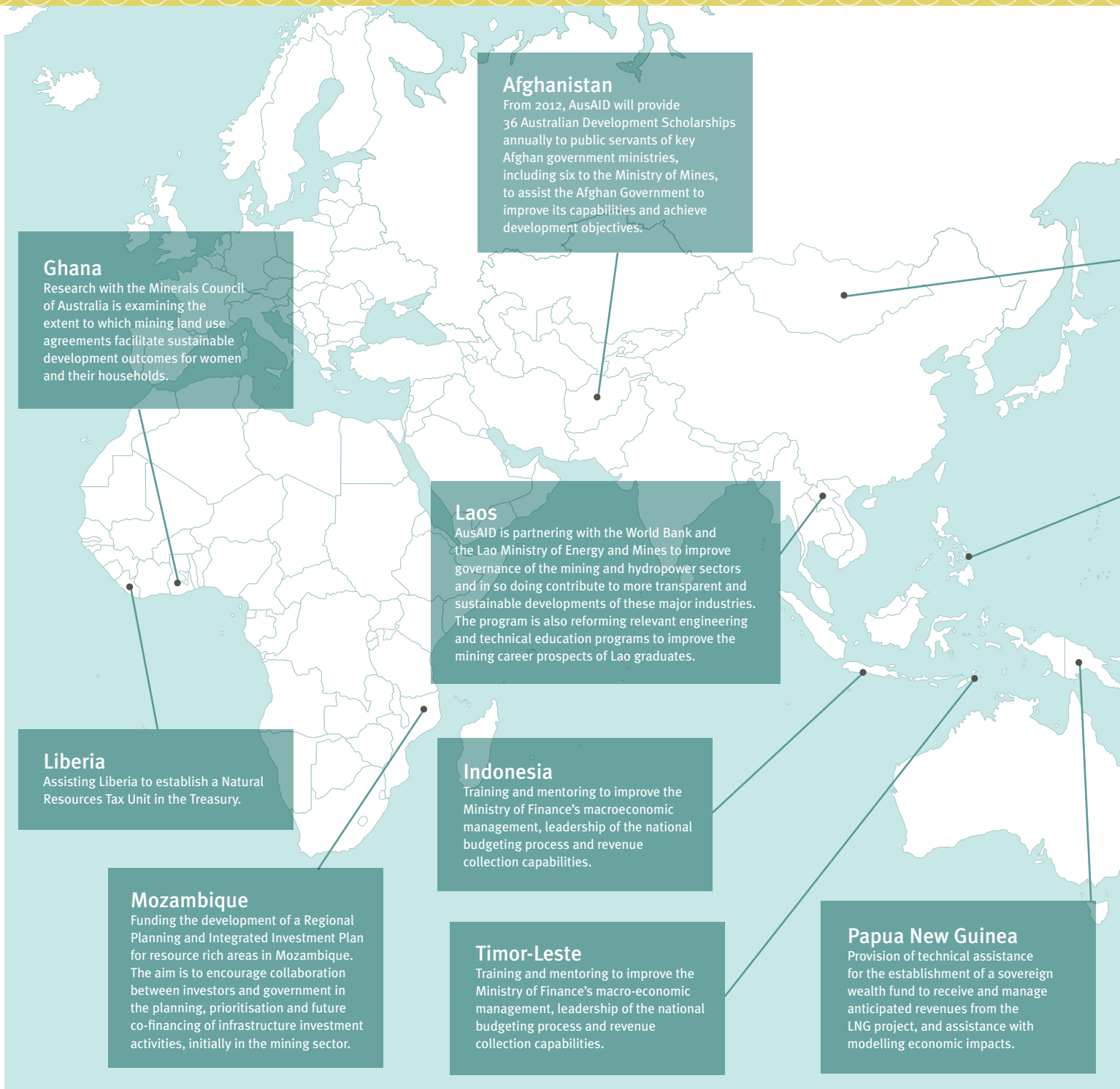
Australia's aid program is making a real difference and delivering real results through an effective and coordinated approach to promoting sustainable mining in developing countries.



The Hon Julia Gillard MP
Prime Minister
October 2011

The Mining for Development Initiative

Overview of Australian assistance for sustainable mining across the world





Mongolia
Australia provided funding to enable the start-up of a mining sector think-tank in Mongolia to build indigenous policy research and analytical capacity in this critical sector for Mongolia's future.

Philippines
Integration of sustainable development into minerals education at the University of the Philippines, to modernise the mining curriculum.

Nauru
The Nauru-Australia Compact of Settlement (NACOS) supports phosphate mining and land rehabilitation programs. Nauru's phosphate mining operations recommenced in 2007 with the support of NACOS funding.

Global:
The **Extractive Industries Transparency Initiative (EITI)** is a voluntary scheme aimed primarily at resource-rich developing countries. It sets and manages a global standard for the full verification and publication of company payments and government revenue from mining, oil and gas. Australia is a member of the EITI Management Committee and has to date committed \$12.7 million to the World Bank administered Multi-Donor Trust Fund. EITI compliant countries include: Azerbaijan, Central African Republic, Ghana, Kyrgyz Republic, Liberia, Mali, Mongolia, Niger, Nigeria, Norway and Timor-Leste.
IMF Topical Trust Fund on Managing Natural Resource Wealth focuses on improving macroeconomic management in resource rich countries. It uses a demand driven mechanism to assist extractive industry fiscal regimes, licensing and contracting; revenue administration; macro-fiscal, public financial management and expenditure policy; natural resource asset and liability management; and statistics for managing natural resources. Australia has contributed \$5 million to the fund and is a member of the Steering Committee.

In Africa, AusAID is:
Improving Resource Governance
Three multi-country study tours in 2011 to Australia for senior government officials from 18 African countries on mining regulation and management issues. On-site mine visits were hosted by Rio Tinto, BHP and Newcrest; discussion panels included representatives from Western Australian and Queensland natural resources and regulatory agencies.
Building Capacity in Geosciences
Inviting nominations for up to 90 African participants to attend the 2012 International Geological Congress in Brisbane, Australia and related workshops to be delivered in partnership with Geoscience Australia.
Supporting and enabling the Australian mining industry to build the geosciences research and training capacity of four West African universities. Under the initiative training courses have been held on geochemistry, exploration and geology for participants from Burkina Faso, Ghana, Guinea, Liberia, Mali, Niger, Senegal, South Africa, Togo and Zambia.

The Mining for Development Initiative — harnessing Australia's expertise

For many years, mining has been an important part of Australia's development as a nation. The sector has operated in a stable regulatory environment and has been backed by a highly-skilled workforce, sophisticated education and training systems, and policies that promote the principles of environmental responsibility and sustainable development.

The mining sector makes a major contribution to Australia's economic and social growth and development. For example, mining contributed more than \$113 billion to Australia's wealth in 2010–11 and employed more than 220 000 Australians, many of whom live in remote and regional areas.

The success of Australia's mining sector has been made possible by world-class geological information that encourages investment in mining exploration and development. A highly skilled workforce, supported by leading education and training institutions, is another strength. So too are Australia's laws, policies and regulations which seek to balance the interests of miners with other land users, ensuring the environment is handled responsibly and with respect, and that the mining industry remains sustainable. Importantly, Australia's mining sector operates with respect for the rights and wishes of this country's Indigenous people.

The Mining for Development Initiative is a collaboration between the Australian Government and some of the country's leading academic institutions, the mining industry and non-government organisations. It has been designed to work in partnership with developing countries, as well as non-government organisations, other donors, and development institutions.

The Mining for Development Initiative has six components.

1 International Mining for Development Centre

The International Mining for Development Centre provides assistance on a broad range of issues in the mining, oil and petroleum sectors.

Through the centre, developing countries have access to education and training, as well as technical and other advice.

The centre will build capacity in three core themes through the provision of short course training in Australia and overseas, through fellowships in Australia, through mentoring and building the capacity of local institutions, through publishing guides and tools, and through conference and alumni events and support.

Governance and regulation: the governance and regulation of mining sectors in developing countries should garner and deploy resource rents in a safe, healthy, and socially and environmentally responsible way.

Community and environmental sustainability: there is a significant opportunity to make significant contributions to local and regional development, before, during and after mine operations.

Operational effectiveness and safety: the generation and management of public knowledge on mining is essential; including the generation of exploration information and management of exploration processes using appropriate technology and tools.

The centre is hosted by the Energy and Minerals Institute at the University of Western Australia in partnership with the Sustainable Minerals Institute at the University of Queensland.



Dr Stuart Bull (from the ARC Centre of Excellence in Ore Deposits) explaining drill core logging to geologists at Kinsevere, the Democratic Republic of the Congo. The Australian Government has provided financial support to the West African Exploration Initiative managed by AMIRA International. Aid program support is aimed at improving the capacity of four universities in West Africa to undertake mining-related research and teaching including in geosciences (photo courtesy of Dr Alan Goode, AMIRA International)



Above: Photo courtesy of Peter Garside from GARSIDEIMAGES WA

2 Engaging with communities

A Community and Social Development Program will support non-government organisations and multilateral organisations that foster social and environmental responsibility in mining in developing countries.

The program will help identify and manage the impacts of mining on the community, identify opportunities for community participation, encourage community engagement in decision making and help the benefits of mining to be shared among all members of the community.

3 Bringing international best practice to the table

Through an Economic Capacity Building Program, Australia will provide technical assistance to developing countries to strengthen their mining approvals, regulations and macroeconomic policy frameworks. The program will also provide support for negotiating contracts with industry.

This component will be delivered through existing partnerships such as with the World Bank and International Monetary Fund.

4 Promoting transparency

Australia will continue to support developing countries to implement the Extractive Industries Transparency Initiative (EITI) which increases the transparency of transactions between governments and companies operating in this sector. This involves publishing payments made by companies to governments and publishing all revenues received by governments from the extractives industry.

EITI is an international coalition of countries, donors and multilateral organisations, extractive industry companies, investors and civil society. Australia is, and will continue to be, a leading supporter of EITI through its funding and its membership on the board.

5 Supporting partnerships

Through a Government Linkages Program, Australian federal and state government authorities and universities will work with counterparts in developing countries to improve their skills in areas such as mining regulation and administration for the long term.

Operations in the mining sector are capital-intensive and investors look for long-term investment opportunities. They are attracted to opportunities backed by sound legal, regulatory and institutional frameworks designed around fairness and stability—frameworks that protect the interests of the country, community and environment.

These frameworks are critical as they are the primary means by which governments can maximise social and environmental benefits and minimise and manage costs.

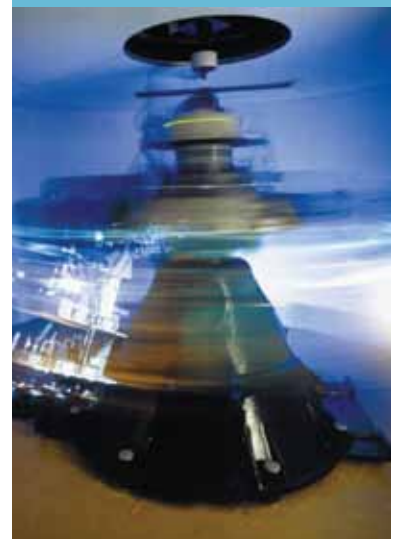
6 Building skills and knowledge

As part of the broader Australia Awards scholarships program, Australian Mining Awards will provide scholarships to post graduate and undergraduate students in fields such as engineering, geosciences, public administration and finance, community and environmental management, resource economics, and regulation and governance.

The awards will promote knowledge, education links and enduring ties between Australia and developing countries.



NGIS Australia training manager, Nathan Eaton, works with an Australia Award participant in Burkina Faso. NGIS Australia staff travelled to Africa as a follow up to a short-course program on geospatial information systems run for participants from Botswana, Burkina Faso, Kenya, Liberia and Mozambique (photo courtesy of NGIS Australia).



The University of Western Australia's Centre for Offshore Foundation Systems houses the only centrifuge modelling facility in Australia, photo courtesy of UWA.

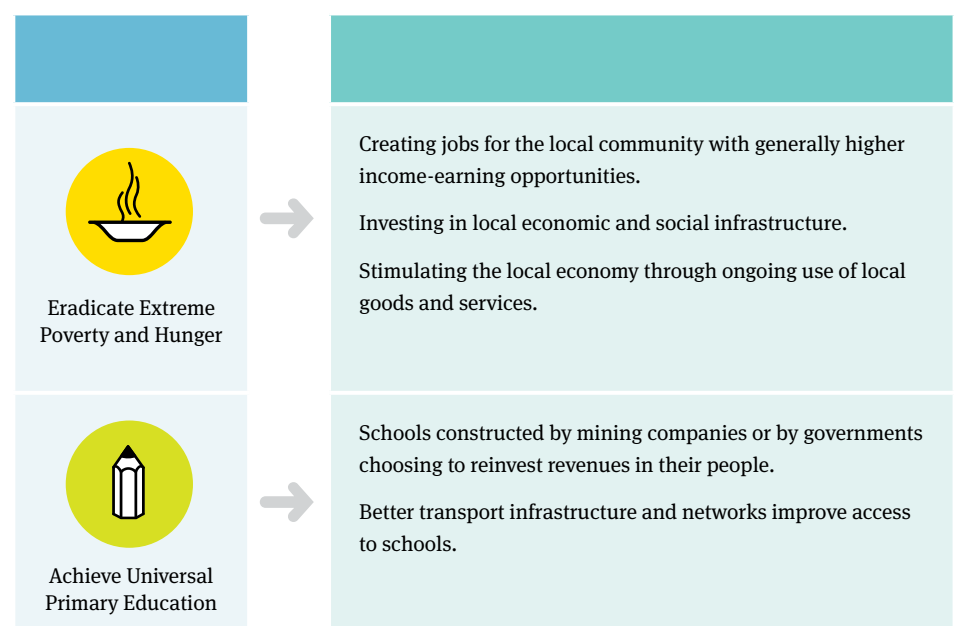
Supporting the Millennium Development Goals

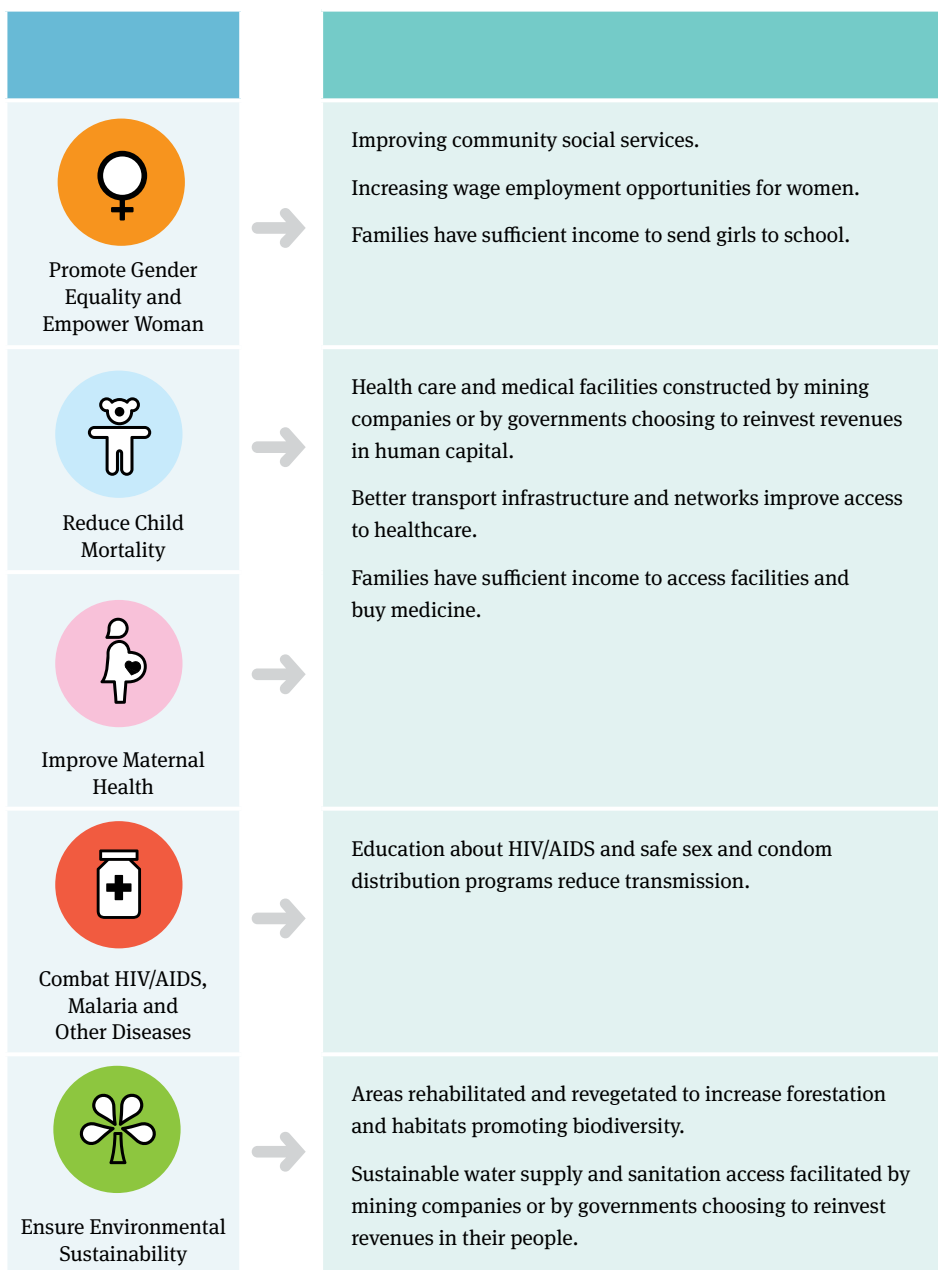


The Mining for Development Initiative will support the implementation of the following key drivers of change in the mining sector in developing countries, which are critical to support achievement of the Millennium Development Goals.

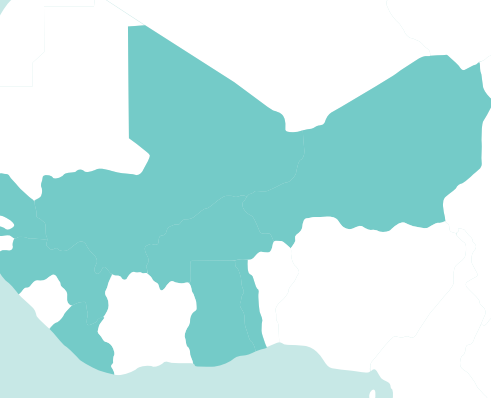
Key drivers of change
<ol style="list-style-type: none"> Governments—government capacity and willingness to: (i) transparently and effectively collect, manage and reinvest extractives revenue; (ii) establish and enforce clear, stable and fair regulatory, institutional and policy frameworks (including appropriate legislation on land issues, occupational health and safety and human rights); and (iii) attract and negotiate with foreign investors. Companies—corporate policies and practices in relation to issues such as local employment and environmental stewardship. Civil society—community representation and participation in decision-making processes; effective civil society oversight.

Sustainable mining practices can support developing countries to achieve the Millennium Development Goals in the following ways.





Australia's current assistance in mining for development: making a real difference



Burkina Faso, Ghana, Guinea, Liberia, Mali, Niger, Senegal, Togo



South Africa, Zambia

Australia assists developing countries through bilateral, regional and global initiatives that focus on mining for development. In 2010 and 2011 Australia delivered the following assistance.

Africa

Australia is supporting improved resource governance and sustainability in Africa, while strengthening technical capacity and promoting the use of public-private partnerships.

Access to expertise through partnerships with industry and civil society helps ensure mining developments align with national priorities and that sufficient community consultation takes place. AusAID supports the Australian-led mining industry body, AMIRA International, to build the geosciences research and training capacity of four West African universities. Training courses have been held on geochemistry, exploration and geology for participants from Burkina Faso, Ghana, Guinea, Liberia, Mali, Niger, Senegal, South Africa, Togo and Zambia.

Three Australian study tours for senior government officials from 18 African countries took place in 2011, focusing on mining regulation and management issues. Onsite mine visits were hosted by Rio Tinto, BHP Billiton and Newcrest and discussion panels included Western Australian and Queensland natural resources and regulatory agencies. AusAID has also provided 71 Australia Awards scholarships focusing on mining policy and regulation, 44 awards for Masters Degrees in natural resource and environmental management, and 17 Australian Leadership Award Fellowships in mining governance.

Australia is also negotiating an agreement with the UN Economic Commission for Africa to support implementation of the African Mining Vision, adopted by the African Union Summit in February 2009. The vision is for the transparent, equitable and optimal extraction of mineral resources for broad-based sustainable growth and socio-economic development.



Papua New Guinea

Australian advisers provide Papua New Guinea's treasury and finance departments with advice on how mineral revenues (including from LNG) will have an impact on budgets and the economy.

Assistance is also being provided to Papua New Guinea in relation to the major LNG project being undertaken by ExxonMobil and project partners. This includes:

- Providing assistance through Australia's Treasury and Finance and Deregulation departments to help the Papua New Guinea Government establish a sovereign wealth fund for receiving and managing project revenues.
- Assisting the Papua New Guinea Government to model the project's economic impact, especially the capacity to utilise extra revenues.
- Funding and providing management support for the Papua New Guinea Government to recruit technical specialists where needed for the success of the construction phase.



Papua New Guinea

Philippines

The Philippine mining sector is facing a shortage of professional and skilled workers. Local demand for professionals is high and the industry is forecast to grow with investments of US\$10 billion over the five years to 2014.

To help the Philippine Government address the shortfall, AusAID supported the establishment of the Philippines-Australia Resources Education Excellence Program. This industry-funded scholarship program is currently sponsored by eight mining companies and the Chamber of Mines of the Philippines, and has provided 25 scholarships to date. These will improve professional expertise in the mining sector and address emerging local minerals and resources needs.

More information is available at: <http://www.pareep.org.ph>

Australian experts are also helping to improve mining curricula at Philippine universities, and promote sustainability in the sector. Through Australia's Public Sector Linkages Program, funds were allocated in 2009–10 to:

- integrate sustainable development into minerals education
- assist the Department of Energy and National Resources to better coordinate reforestation efforts
- develop teaching capacity, and curriculum, so that locally-trained graduates can work in the industry
- enhance community-based restoration and reforestation projects for post-mining landscapes.



Philippines

Australia's current assistance in mining for development: making a real difference

Extractive Industries Transparency Initiative

EITI is a coalition of governments, companies, civil society groups, investors and international organisations that supports improved governance and transparency in resource-rich countries. It does so by setting and managing a global standard for the full verification and publication of company payments and government revenues from the oil, gas and mining sectors.

Extractives companies and institutional investors play a key role in supporting EITI. A number of large companies, with Australian roots, have endorsed the coalition, including BHP Billiton, Rio Tinto, Santos and Woodside.

Australia has pledged \$12.7 million to EITI to support activities in and operation of the World Bank-administered EITI-Multi Donor Trust Fund, which promotes EITI adoption and provides advice to countries on how to implement EITI compliant reporting processes.

By 2011, 10 developing countries had achieved and maintained full EITI compliance (Azerbaijan, Central African Republic, Timor Leste, Ghana, Kyrgyz Republic, Liberia, Mali, Mongolia, Niger and Nigeria).

Candidate developing countries are: Afghanistan, Burkina Faso, Cameroon, Chad, Côte d'Ivoire, Democratic Republic of the Congo, Gabon, Guatemala, Guinea, Indonesia, Iraq, Madagascar, Mauritania, Mozambique, Peru, Sierra Leone, Tanzania, Togo, Trinidad and Tobago, and Zambia. A country that has fully and to the satisfaction of the EITI Board met the five sign-up requirements becomes a Candidate country. Once a country has obtained Candidate status it has two and a half years to be validated as a Compliant country.

In 2011 Solomon Islands announced its intention to implement EITI.





HIV/AIDS

AusAID is supporting the Asia-Pacific Business Coalition on AIDS (APBCA), comprising a range of multinational and Australian companies with major business interests in the region.

APBCA supports the establishment and coordination of country-based business coalitions throughout the Asia-Pacific, including Burma, Cambodia, Indonesia, Papua New Guinea, Singapore, Sri Lanka and Thailand.

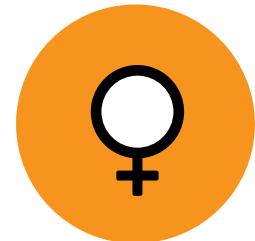
Some of these coalitions, particularly those in Papua New Guinea and Burma, work with companies in extractive industries to help them develop and implement HIV-workplace policies. To date, AusAID has provided over \$500,000 to assist APBCA's work.



Combat HIV/Aids, Malaria and other diseases

Gender and Women

AusAID is partnering with the Minerals Council of Australia to undertake a research project that focuses on how land-use agreements with traditional owners and communities for natural resource development can facilitate sustainable outcomes for women and their families. The research will be based on case studies of agreement making between local communities and Australian mining companies in Australian Indigenous communities, Ghana, and Papua New Guinea.



Promote gender equality and empower women

