



Mining Sector Diagnostic

Broad Overview

January 2021

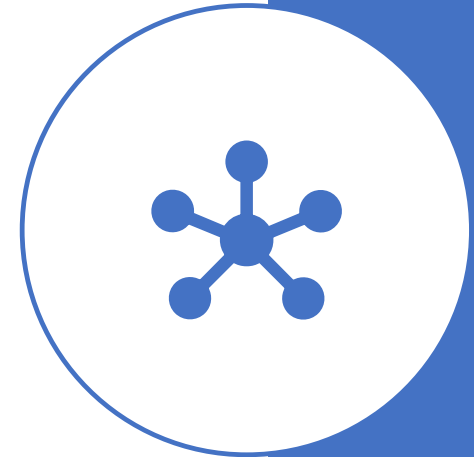
Objective and Goal

Objective:

Help countries identify how to achieve a vibrant mining sector that contributes to sustainable development and shared prosperity.

Goal:

- Standardized tool
- Comprehensive analysis
- Data-driven and evidence based, “objective”
- Identification of key strengths and weaknesses of a country’s mining sector
- Solid basis for informed policy dialogue



MSD Dashboard

Mining Sector Diagnostic					
Mining Sector Management					
Sector Policy		Sector Dialogue		Roles and Responsibilities	Intra-Governmental Coordination
II. Extractive Industries Value Chain					
	Contracts, Licenses and Exploration	Mining Operations	Mining Taxation	Revenue Management and Distribution	Local Impact
Legislation, Policy, and Regulation	Rules for License Allocation, Oversight, and Transfer	Rules on Land Issues, Environmental and Social Impact Management, ASM, OHSA, and Mine Closure	Tax Policy and Tax Administration Rules	Revenue Sharing and Fiscal Stabilization--Rules	Local Content, Employment, Community Engagement, CSR and Social Issues
Institutional Capacity and Effectiveness	Collection/Maintenance of Geological Information and Effective License Allocation and Management	Practice regarding Land Issues, Environmental and Social Impact, Support for ASM, OHSA, and Mine Closure	Mining Tax Administration and Auditing	Revenue Sharing, Fiscal Stabilization and Resource Revenue Transparency--Practice	Local Supplier Development, Employment, Community Engagement, CSR and Social Issues--Practice

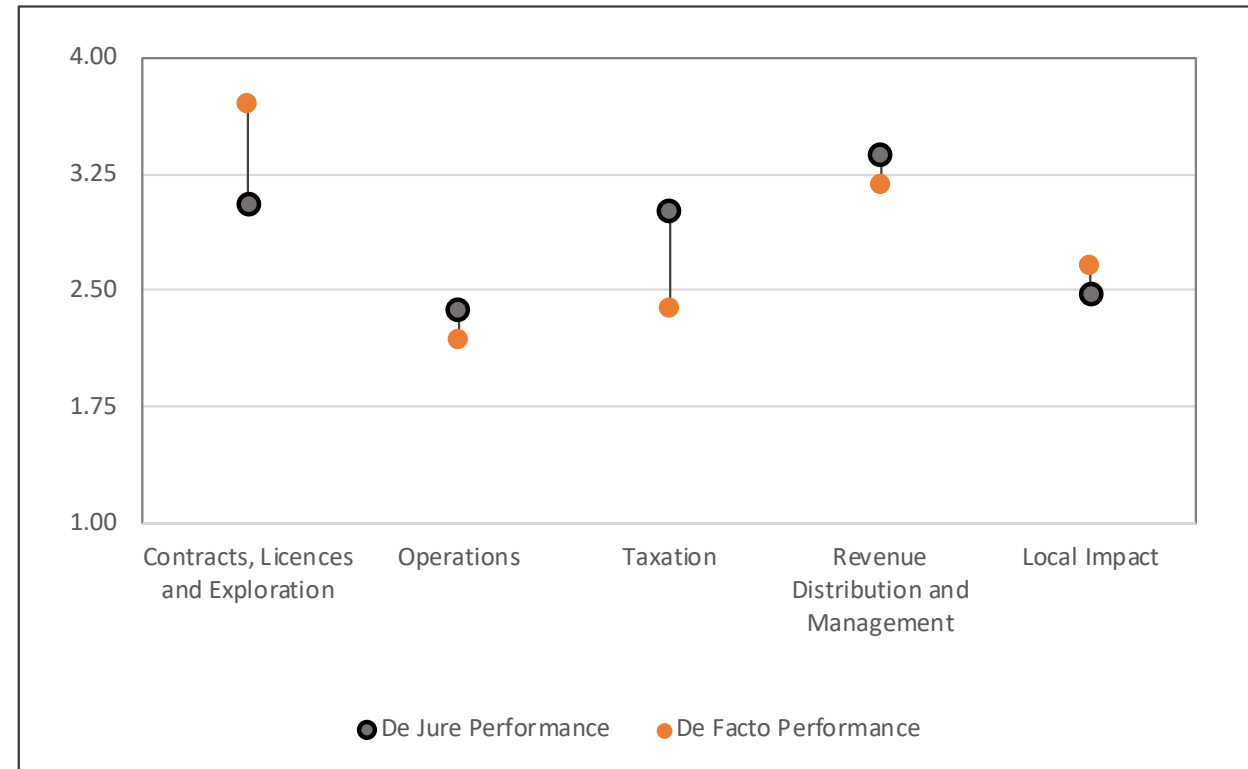
Scoring Key:	Very low (1.00 - 1.75)	Low (> 1.75 - 2.50)	High (> 2.50 - 3.25)	Very High (> 3.25 - 4.00)
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Components of Dashboard

- Mining Sector Management
 - Overarching policy
 - Sector dialogue
 - Institutional arrangements and coordination
- Sector performance along the EI value chain
 - Separately evaluates “de jure” and “de facto” performance

Implementation Gap

- De jure performance
 - Laws and regulations
 - How things “should be” or are “meant to be”
- De facto performance
 - Implementation, how things are actually done
 - How well are the rules and regulations actually implemented
 - Institutional capacity
- The implementation gap is the difference between de jure and de facto performance.



MSD Data

- All data are gathered through questionnaires and all answers are scored with reference to internationally accepted “good practice”.
- Primary data
 - The country’s laws, rules and regulations—de jure performance
 - Collected via desk research
- Interview data
 - In-country interviews with stakeholders—de facto performance
 - Collected during in-country visits and follow-up

Stakeholders:

- Government
- Industry
- Civil society

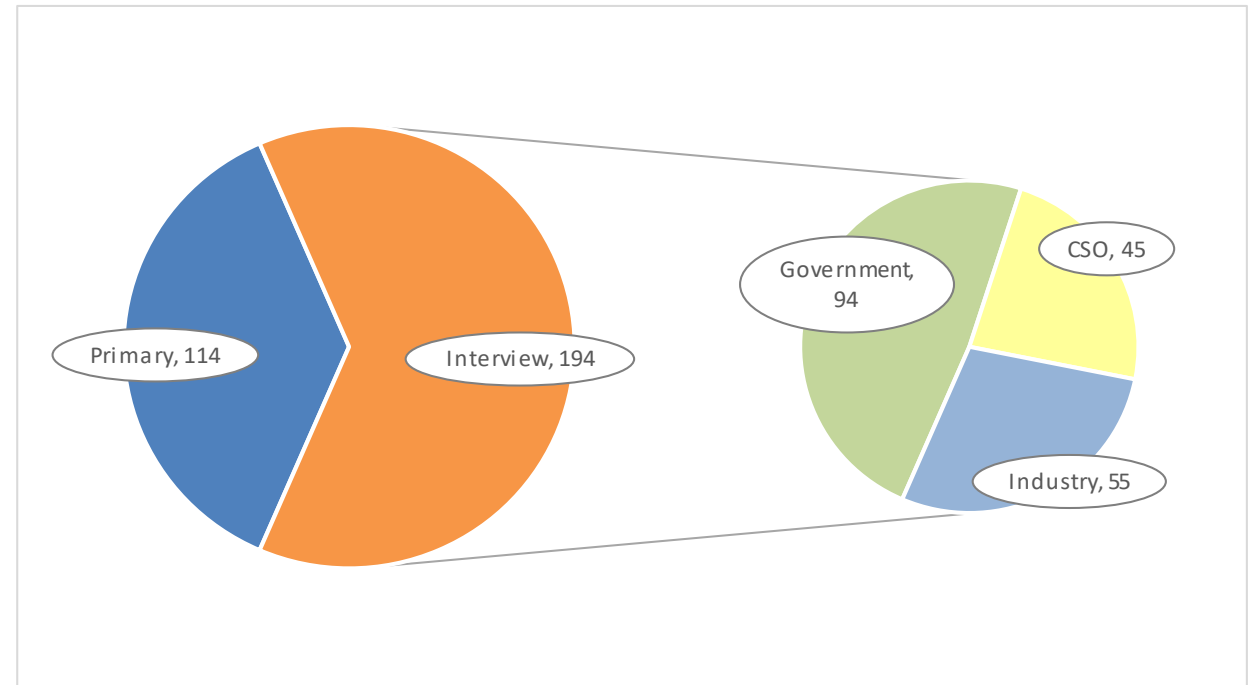
Very important to identify all relevant stakeholders and to get their inputs.

MSD Data and Questionnaire

Data Collection

- Primary data are collected via desk research
- Interview data are gathered via in-country interviews followed up by stakeholders filling in detailed questionnaires
- Data on stakeholder priorities are also gathered during in-country interviews

MSD questionnaire



MSD Question Structure

Are there legally binding procedures for granting exploration and mining licenses and , if so, are they consistent with good practice?		2.8
Are there legally binding procedures for granting exploration and mining licenses?		Yes
If "Yes"	Are the steps involved laid out in the procedures?	Yes
	Are the procedures readily accessible to potential applicants and other interested parties?	No
	Are the procedures compatible with land access legislation?	Yes
	Are the procedures compatible with environmental protection legislation?	No
	Are the procedures compatible with social protection legislation?	N/A
Source:		Yes
Notes:		No
		N/A

Sample Interview Questions

82	In practice, when licenses are denied or cancelled, are the procedures followed?	3.0
	Are license holders given the reasons for the license denial or cancellation?	Yes
	Are license holders informed of the denial or cancellation within the required time period?	No
	Are license holders able to appeal the denial or cancellation?	Yes
	Can an appeal be made to an authority separate from the authority that denied or cancelled the license?	N/A
	<u>Comments:</u>	<div style="border: 1px solid black; padding: 2px; width: fit-content;">Yes No N/A</div>

MSD Question Structure/Scoring

- Umbrella questions broken down into precise sub-questions
- Sub-questions are answered by choosing an answer from a drop-down menu
 - There are different answer choices depending on question
 - Yes/No
 - Very satisfied/Satisfied/Dissatisfied/Very Dissatisfied
 - Always or almost always/Most of the time/Some of the time/Never or almost never
 - ...
- Scoring is done automatically based on answer choices. MSD scores range from 1 to 4—with “4” reflecting “good practice”.



Data Aggregation

- Scores for interview questions are averaged across respondents.
- Data are aggregated (always using arithmetic averaging) into indicators and topics. Topics are the cells of a dashboard.



Mining Operations--Value Chain Stage 2

Indicators

Legislation, Policy, and Regulation (2.80)	Mining Legislation and Processes (1.82)
	Land, Compensation and Resettlement Rules (2.45)
	Environmental and Social Impact Management (3.55)
	Artisanal and Small-Scale Mining (3.80)
	Occupational Health and Safety (3.20)
	Mine Closure and Financial Sureties for Decommissioning (1.95)
Institutional Capacity and Effectiveness (2.47)	Land, Compensation and Resettlement--Practice (2.67)
	Environmental Impact (2.33)
	Social Impact (1.98)
	Support for Artisanal and Small-Scale Mining (3.80)
	Occupational Health and Safety (2.45)
	Mine Closure and Financial Sureties for Decommissioning (1.60)

How are stakeholder priorities elicited?

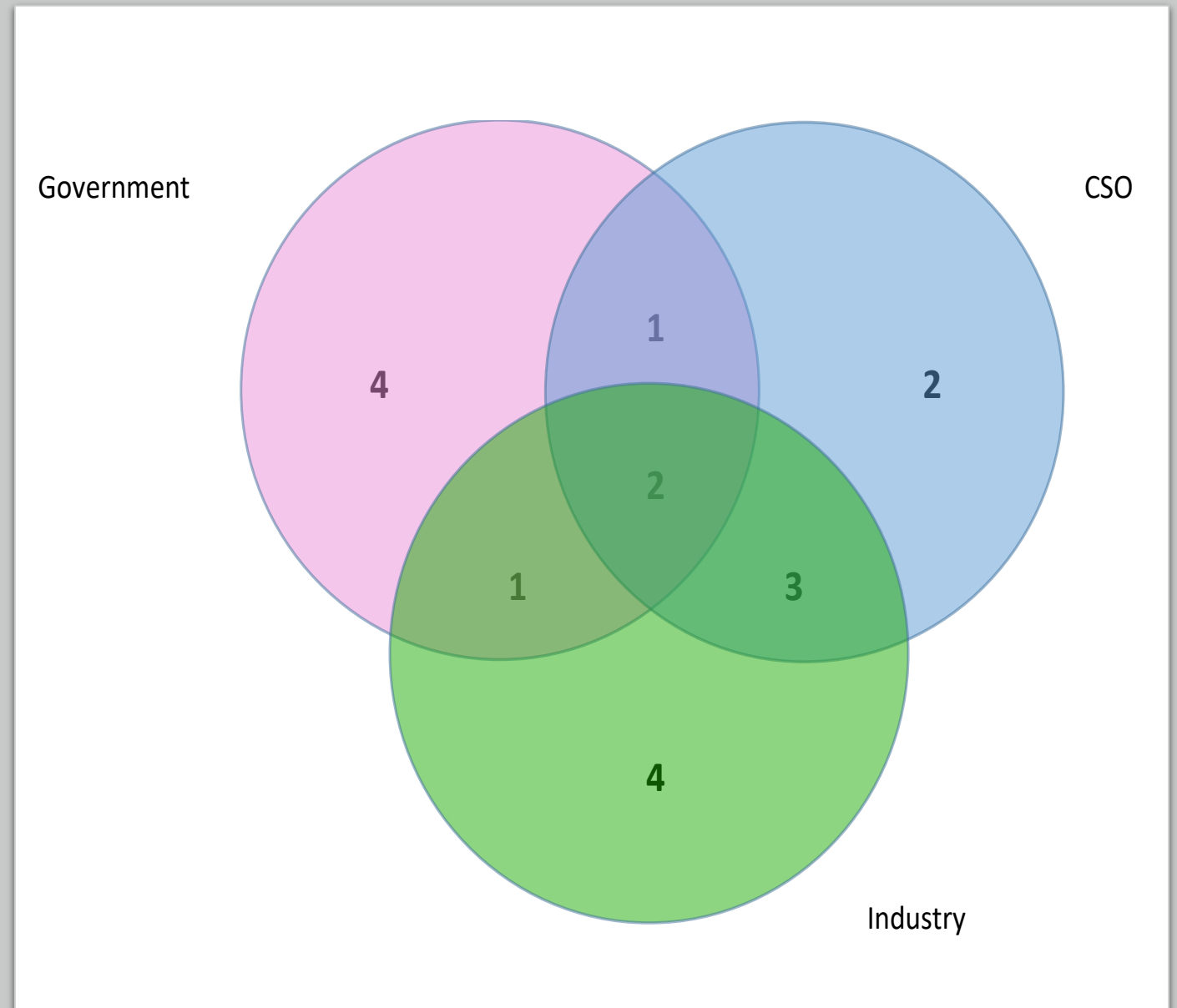
- Each respondent is given a “Votes Template” (see right).
- Each respondent is asked to think in which areas reforms are most needed and/or most likely to yield results.
- Respondents are then given 100 “votes” and asked to allocate those votes across areas to reflect their priorities.

	Indicators	Votes
Mining Sector Management	Sector Policy	
	Sector Dialogue	
	Roles and Responsibilities	
	Intra-Governmental Coordination	
#ERROR!	Collection and Maintenance of Geological Information	
	Lince Allocation	
	License Management and Transfer	
Mining Operations	Mining Legislation and Processes	
	Land, Compensation and Resettlement	
	Environmental Impact Management	
	Social Impact Management	
	Artisanal and Small-Scale Mining	
	Occupational Health and Safety	
	Mine Closure and Financial Sureties for Decommissioning	
Tax Policy and Administration	Tax Policy and Instruments	
	Tax Administration	
	Tax Auditing	
Revenue Management & Distribution	Revenue Sharing	
	Fiscal Stabilization	
	Resource Revenue Transparency	
Local Impact	Local Content/Local Supplier Development	
	Employment	
	Community Engagement	
	CSR and Social Issues	

Stakeholder Priorities

The Venn diagram on the right illustrates potential overlaps in stakeholder priorities across the three stakeholder groups.

Such overlaps can be a useful ingredient in prioritizing and sequencing a reform agenda.



Implementation Status

- **Completed**
 - Papua New Guinea
 - Colombia
 - Indonesia
 - Serbia
 - Afghanistan
- **Almost completed**
 - Philippines
 - Argentina (2 provinces)
 - Liberia
 - Peru

- **Ongoing/Planned**
 - Myanmar
 - Kyrgyzstan
 - Kazakhstan
 - Mozambique
 - Egypt
 - ...

Notes:

- ✓ Wide geographic coverage
- ✓ Applicable to any country
 - ✓ Low-income to advanced
 - ✓ Infant to mature mining countries
- ✓ Allows for sub-national assessments
- ✓ Demand-driven
 - ✓ CMU/TTL
 - ✓ Country authorities