

*Overview of the Potential Role of World Bank  
and other Partners*

**Dr. Brigitte Bocoum**

Sustainable Oil, Gas & Mining Division (SEGOM)

**World Bank Sponsored Events at Mining Indaba 2012 Conference**

**CHARTERING A WAY FORWARD BY BUILDING A NETWORK COALITION ON  
AMV IMPLEMENTATION & STIMULATING COUNTRY- SPECIFIC ACTIONS**

**Cape Town, South Africa, 5 February 2012**



# Underlying Assumption

## ***African countries endowed with abundant resources are characterized***

- Poor governance
- Less than optimal EI management
- Untapped potential for mineral resources driven industrialization

...with the few often cited notable exceptions (Botswana, Morocco, Namibia and RSA)



## Not adequate to prevent:

- rent seeking of mineral revenue
- corruption and competition for illegal control of the mineral resource rent
- patronage of powerful groups
- marginal role played by local stakeholders in the development of their mineral resources

**Voices of citizens and the majority are not heard in decision making**

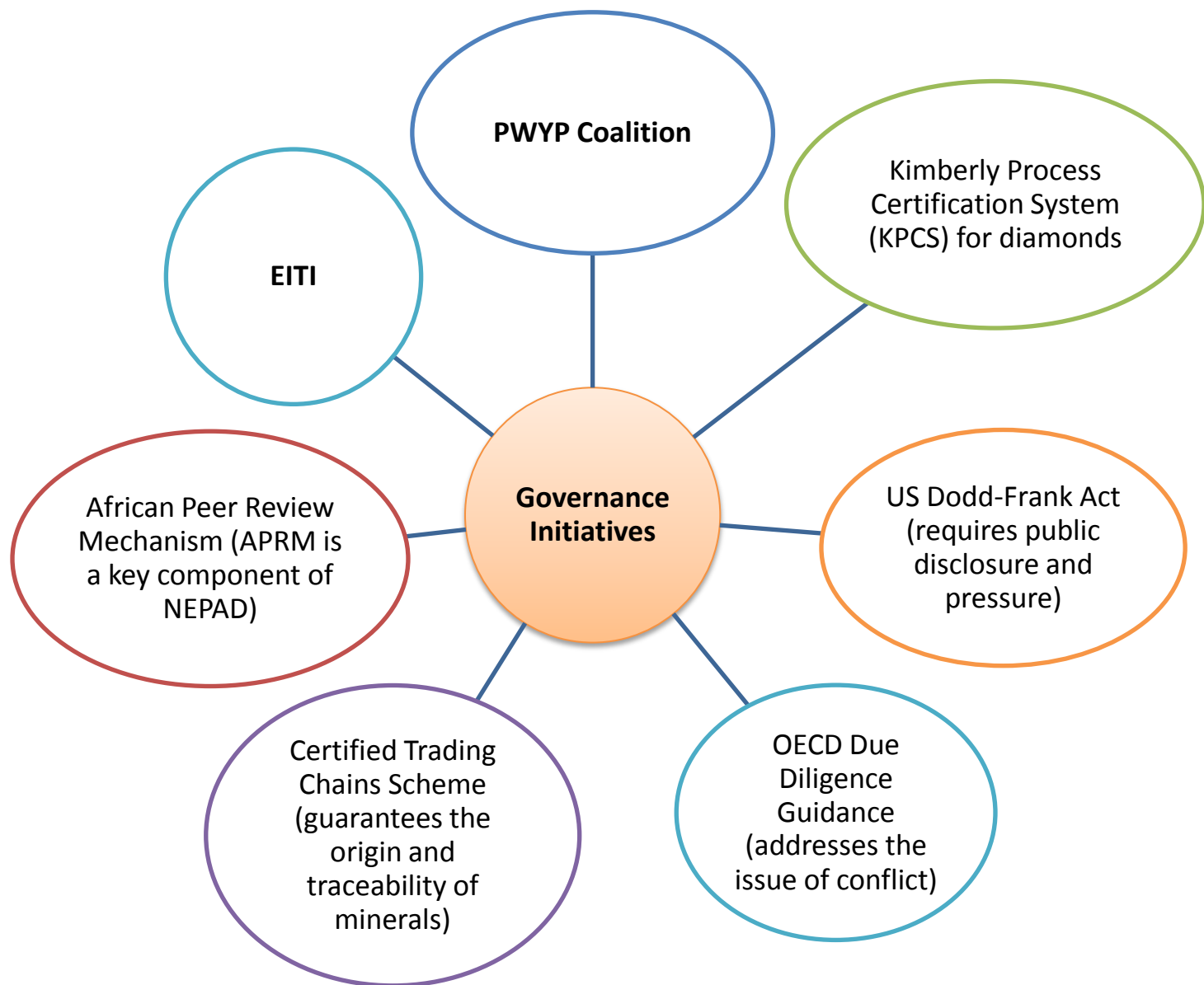


# The Governance scorecard is however improving.....

- ❑ Political economy is more favorable to development policies
- ❑ Push for greater promotion of resource-based industrialization
- ❑ Improved stakeholder's consultation and engagement
- ❑ Greater commitment by Africans to use the mineral sector as a channel for growth



# The Governance scorecard is however improving.....



# In Africa, Mineral Oversight Systems need to be strengthened...

- Creation of a conducive policy space (AMV)
- More constructive role in development agenda setting by stakeholders
- Better monitoring of policy formulation



**Improve decision making on mineral development issues at both micro- and macro-levels**

## One of the flagship projects of the Joint AMV Secretariat (AUC, UNECA, AfDB)

- ✓ Sets to formulate and implement workable strategies based on Africa's unique strengths, rather than the emulation of strategies that may have been effective in other contexts
- ✓ Roots resource-based industrialization through utilization of Africa's significant resource assets
- ✓ Uses mining to catalyze diversified industrial development



# Who are the main partners of the AMV?



AU Summit of the African Head of States

- African Ministers Responsible for Mineral Development
- Development partners (World Bank, AfDB, UNCTAD?)
- Bilateral Donors (Australia, Canada, EU, Sweden/Finland)
- Private Sector
- Chambers of Mines and Industry
- Academia, UN Agencies and NGOs

## What justification for World Bank Intervention in the AMV?

- ✓ Major catalyst to successfully achieve the Millennium Development Goals (MDGs)
- ✓ Viable channel to resolve Africa's natural resource paradox
- ✓ Successful harnessing of extractive resources for growth
- ✓ Poverty reduction
- ✓ Social development
- ✓ Promotion of public discussion with all stakeholders
- ✓ Consultative process designed to ensure domestic accountability
- ✓ Platform for the creation of a real social compact



## *Process needs to be self owned*

### Comprehensive mapping of a country's governance system

- Participatory process in identification of governance deficiencies
- Verification of adequacy of prescribed socio-economic policies



# Examples of Africa Owned Initiatives

## **APRM:** Africa's self-monitoring mechanism

- *Main objective:* Improving governance dynamics at the local, national, continental and international levels.

## **AMV:** Benefits for all

- *Main objective:* Integration of the mineral sector into Africa's social & economic development process; promotion of strong institutions capable of managing the sector well



# The World Bank Catalytic Role in the AMV



■ The WB has set to avoid intervening in areas where too many donors are concentrating

■ The WB has opted to bring forth its competitive advantage in support of actual implementation of the AMV Action Plan



# World Bank: Examples of new activities that relates to the AMV

## Improve Development Impact

- ▶ Community development
- ▶ Local Content
- ▶ Development of input/cluster industries
- ▶ Creation of national SMEs
- ▶ Acquisition of specialized skills in the EI industry

## EITI++

- ▶ Improved citizen participation and advocacy
- ▶ The Value Chain approach
- ▶ Acquisition of sound negotiating skills
- ▶ Cross-cutting Issues = Core issues (CASM, Gender, ...)

## Corporate Social Responsibility

- ▶ Improve compliance with international CSR standards
- ▶ Program link with other global governance initiative
- ▶ Awareness campaign and community outreach programs

**Innovative approach:**

- to revenue generation (local procurement study, etc.);
- to monitor fiscal and financial transactions (Strengthening Mining Tax Administration Frameworks in West Africa)

## On-going WB Analytical Work

# AMV in Alignment with New Bank Africa Strategy

*El priorities are aligned with the two key pillars and underlying foundation of the new Africa Strategy:*

## **Competitiveness & Employment:**

Improve business climate  
Leverage infrastructure, inclusive growth  
Access to an abundant and cheap source  
of energy (gas)

## **Vulnerability & Resilience:**

Source of exports and tax revenues for  
Fragile and post-conflict countries  
Formalization of artisanal mining

## **Governance & Public Sector Capacity**

Improve sector governance  
Capacity building for public institutions  
Voice and accountability in Extractive Industries





*Based on the AMV Action Plan (out of a total 9 clusters)*

- Building Geological and mining information systems;
- Building human and institutional capabilities;
- Artisanal and small-scale mining;
- Linkages and diversification/local content

# Role of the World Bank

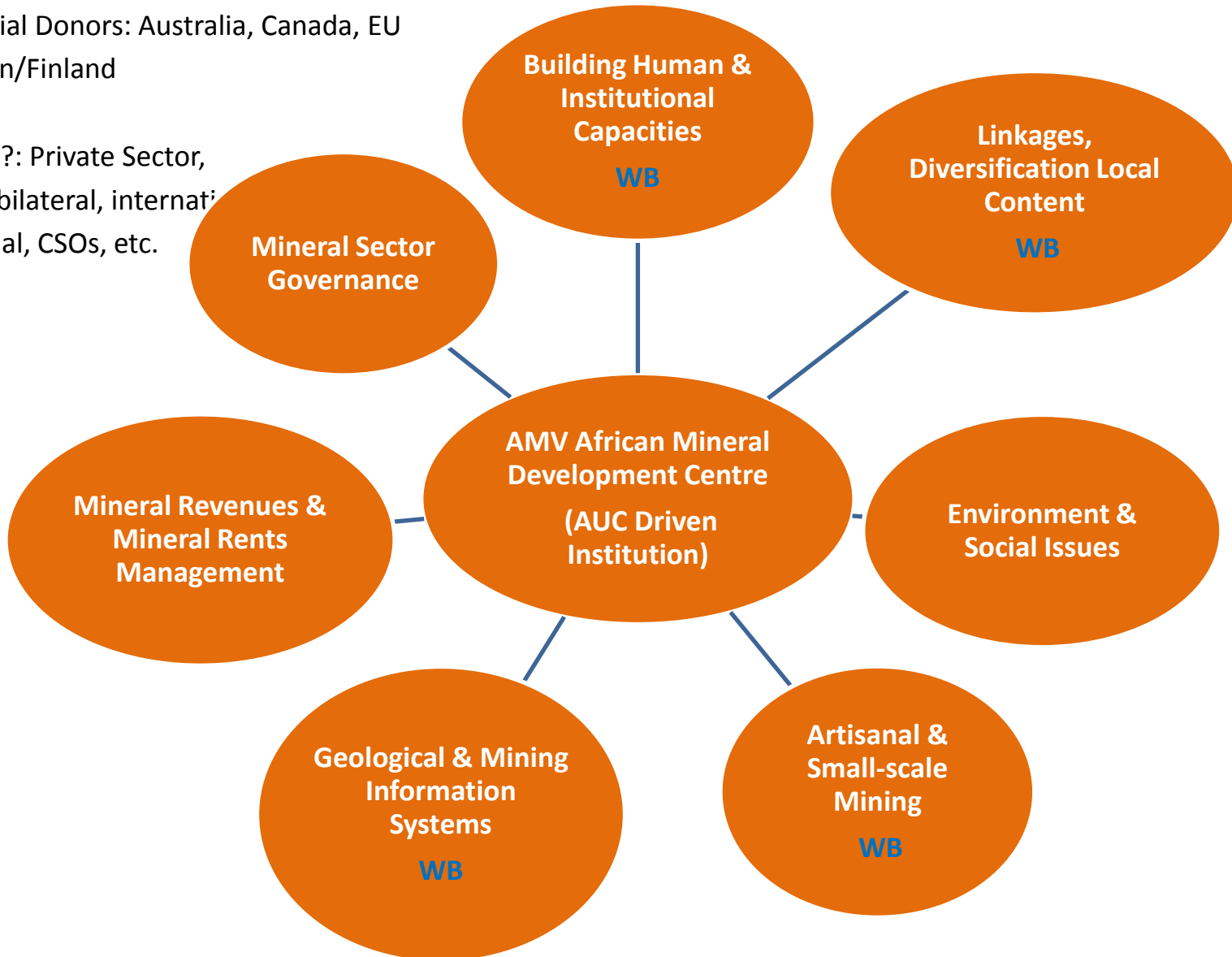
- ❑ Strengthening institutions and stressing the importance of local context (7 new Mineral governance projects for a total of USD 290 million approved in 2011 alone)
- ❑ Strengthening stakeholders engagement, voice and accountability and the role of tri-sector partnership
- ❑ Designing better schemes to manage revenues, public financial management, internal control and audit, procurement, monitoring and reporting arrangements
- ❑ A major catalyst in strengthening collaboration among key institutions and stakeholders



# How best to coordinate among various AMV potential partners?

Potential Donors: Australia, Canada, EU  
Sweden/Finland

Others?: Private Sector,  
Other bilateral, international  
Regional, CSOs, etc.





**The World Bank: Your Partner!**