MINING FOR SUSTAINABLE DEVELOPMENT PROGRAMME
## A Transparency International Global Thematic Network Initiative

What is the Mining for Sustainable Development Programme?

To promote sustainable development, Transparency International's *Mining for Sustainable Development (M4SD) Programme* will identify where the mining awards process could be vulnerable to a lack of transparency and accountability.

It will address these weaknesses by working with key stakeholders to create change within government, mining companies/operators, and civil society and affected communities.

> Mining offers the opportunity to catalyse broad-based economic development, reduce poverty and assist countries in meeting internationally agreed development goals.
> UN General Assembly, Res 66/288, July 2012
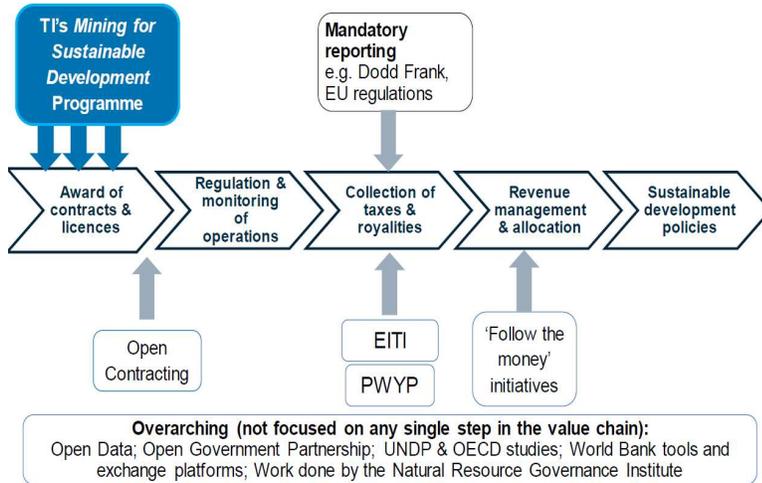
The M4SD Programme complements existing efforts to improve transparency in extractive industries by focussing specifically on the beginning of the decision chain: the point at which governments grant mining permits and licences, negotiate contracts and make agreements.

Who is participating in M4SD Programme?

Twenty Transparency International National Chapters are participating in this global initiative.

Transparency International Australia coordinates and leads the Programme.

Participating TI National Chapters:

Armenia, Australia, Cambodia, Canada, Chile, Colombia, DRC, Guatemala, Indonesia, Kenya, Liberia, Mongolia, Mozambique, Niger, Peru, PNG, Sierra Leone, South Africa, Zambia and Zimbabwe.

We work in coalition with industry, government and civil society. Through the M4SD Programme we are building coalitions for action at a national, regional and global level.

How does the M4SD Programme work?

The Programme will run over five years, divided into two phases:

Phase I (2016-2017): Each participating National Chapter will identify and assess the risks of corruption in the mining awards process in their country using the *Mining Awards Corruption Risk Assessment (MACRA) Tool* developed for Transparency International. They will publish a national risk assessment report on their results.

In coalition with key stakeholders, National Chapters will then use the results to develop local evidence-based action plans to address these risks. A global analysis report will also be produced from the national risk assessments.

Phase II (2018-2020): National, regional and global strategies will be implemented to create changes to policy and practice in selected countries and globally.

How was the MACRA Tool developed?

Transparency International engaged an independent expert consultant to develop the MACRA Tool to provide National Chapters with a clear and robust methodology for identifying and assessing the risks of corruption in process(es) for awarding mineral rights in their country.

The MACRA Tool builds on Transparency International's extensive experience with corruption risk assessment in other fields such as National Integrity Systems. It also incorporates features of mining and extractives sector-specific instruments developed by other organisations. Finally, the MACRA Tool refers users to the wealth of existing resources that can support the investigative process.

In developing the MACRA Tool, contributions and feedback were sought and obtained from experts from multilateral institutions such as the World Bank and the UNDP, major international NGOs including Publish What You Pay and the Natural Resource Governance Institute, and industry bodies such as the International Council on Mining and Minerals. Pilot implementation of the MACRA Tool in three countries (Armenia, Chile and Mongolia) also generated useful insights that allowed for further refining of the Tool.

The MACRA Tool methodology will be made publicly available upon publication of the national reports.

What are the key elements of the MACRA Tool?

1. Collect information about the process in theory, in practice and the context

The MACRA Tool guides researchers to begin by collecting information about the mining awards process and to produce 'process maps' or diagrams that show the steps involved. This includes the documents applicants must submit, key decision-makers, decision-making criteria, availability and oversight of decisions.

Users are also instructed to gather information about what happens in practice and to conduct a contextual analysis of relevant political, economic, social, technological and administrative factors that influence the awards process. Researchers will use a range of research methods including desk research of primary and secondary literature, one-on-one interviews and focus groups.

2. Identify vulnerabilities in the process design, practice and context

With this foundation in place, they then identify where the process design, the process practice and contextual factors exhibit significant vulnerabilities or weaknesses to and corruption. The MACRA Tool provides guidance on indicators of vulnerability.

3. Identify and assess the likelihood and impact of risks created by these vulnerabilities

From these vulnerabilities, researchers define specific corruption risks and then assess the likelihood and impact of these risks. The MACRA Tool contains a list and details of 89 common corruption risks as a reference. Researchers must collect and analyse information regarding the likelihood and impact of the identified risks to ensure that their conclusions are based on a number of sources of evidence.

The likelihood and impact of each risk are to be given a rating from 1-5, from which the overall rating for the risk is derived. The MACRA Tool instructs users to involve a range of perspectives in the rating exercise to overcome bias and subjectivity.

4. Validate findings, prioritise risks and produce a risk assessment report

Finally, National Chapters must ensure that their findings are appropriately validated by country experts and findings will be published in a national risk assessment report. Chapters will prioritise the most significant risks to identify strategic priorities for action.

How is the research implemented?

National Chapter representatives and their researchers have all been trained on the MACRA Tool.

Ongoing support is provided by the MSD Programme's Research Coordinator who reviews key research documents, provides technical support on the methodology and facilitates peer learning among researchers.

The Research Coordinator will review draft national risk assessment reports, seeking the assistance of additional country experts, where required.

A Global Analysis Report will be developed based on the national reports. The global report will highlight key case studies and identify key global and regional issues and trends. A thorough validation and peer review process, involving relevant experts from global and multilateral organisations and the Transparency International Secretariat, will ensure the accuracy and reliability of the Global Analysis Report.

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