





Mining for Development

February 2012

Summary

The mining sector has considerable potential to help reduce poverty, accelerate human development and economic growth, and support progress towards Millennium Development Goals. However, many resource-rich developing countries compare unfavourably to less-endowed countries on human development indicators. The evidence suggests it is the capacity of governments to address institutional and policy challenges that determines the level of benefits a country does or does not receive from mining.

This strategy sets out the Australian aid program's approach to assisting developing countries' maximise the benefits from their mining and complementary areas of oil and gas sectors. All mining-related activities conducted by the Australian aid program will be consistent with this strategy. The objective of Australia's Mining for Development program is to **support developing countries to translate their resource endowment into significant and sustainable development**. Australia's aid program will focus on five pillars to meet the objective of the strategy:

- Social and environmental safeguards
- Revenue transparency
- Partner government regulatory frameworks
- Partner government capacity to obtain, manage, and use geoscience data
- Maximising economic opportunities

The cross-cutting issues of **gender equality**, **transparency** and **social and environmental safeguards** will be integrated into all of the activities undertaken in Mining for Development.

Purpose

The fundamental purpose of Australia's aid program is to alleviate poverty. Effective governance and sustainable economic development are two of the five strategic goals of the aid program, helping to achieve this purpose. The key development objective that sits under this goal, *improving incomes, employment and enterprise opportunities for poor people in both rural and urban areas, including the development of sustainable mining industries to boost overall economic development, forms the basis for Australia's strategic approach to mining for development that helps people overcome poverty through: supporting development.*

Sustainable development has three dimensions—economic, social and environmental, all underpinned by good governance. Mining inevitably entails some environmental disruption which needs to be carefully managed and mitigated. Mining also involves the extraction of a non-renewable resource so it is vital that the benefits from mining are used to contribute to long-term, sustainable development. Mining should therefore convert exhaustible mineral and energy resources into sustainable social and economic endowments for the citizens of the countries in which they operate, and should ideally be accompanied by environmental considerations that go beyond simple rehabilitation of the affected area.

Context – why mining for development matters

Developing countries are experiencing an unprecedented increase in minerals exploration and development due to high commodity prices and the depletion of mineral reserves in developed countries. **It is not the role of the Australian aid program to advocate for or against mining in developing countries.** However, the aid program recognises that mining in developing countries is inevitable: it is happening, and at an increasing rate. The aid program therefore seeks to assist developing countries to gain the maximum benefit from their resource endowment in a socially, environmentally and economically sustainable way. The size of the return on mining, oil and gas is substantial. Global natural resource rents were US\$4 trillion in 2008 (figure 1), with rents easily exceeding overseas development assistance (figure 2) in most countries – the role for aid is therefore as a facilitator and quality assurer not financer.

Figure 1. Resource Rent by Resource and as a Percentage of World GDP (2000–2008)

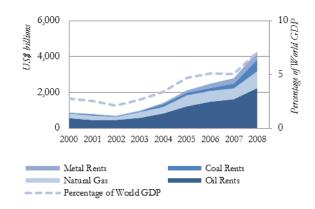


Figure 2. Rents and ODA as a Share of GDP in Resource-Rich Countries in Sub-Saharan Africa

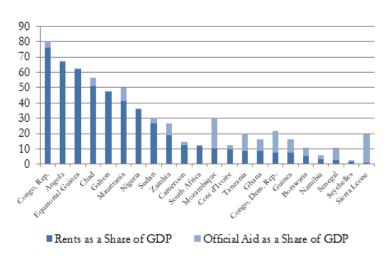


Figure 1 and 2 Source: Kaiser and Viñuela, 2011, Where the Extractive Resource Rents Are, World Bank [unpublished paper]

The opportunities

Mining generates economic opportunities in developing countries, directly through employment of workers, through taxes, rents and royalty payments and social responsibility programs, and indirectly through demand from mine operations for local goods and services. Taxes, resource rents and royalties paid by mining companies can provide much-needed capital for developing countries to invest in public works and service delivery. However, the role of government is critical to maximise benefits for all, by spending the revenues on public services and investments that its citizens need, including infrastructure, health, and education. Well targeted public investments can create sustainable foundations for long-term growth and development. Spending revenues wisely can create an enabling environment that attracts private investment and creates the conditions for a diversified economy with strong governing institutions.

Investment in mining can bring other benefits, such as improvements in education, workforce participation for men and women, and the development of knowledge-intensive industries. Furthermore, mining is often accompanied by private investment in infrastructure, which benefits local industries and private sector development. For example, resource projects typically require significant investments in energy, utility and transport infrastructure which can improve access to services and the quality of life for local communities, and can subsequently be used by other industries such as agriculture and manufacturing to improve production and enable greater access to markets. Transport also increases access to other social services such as education, health, and law and justice through reduced travel time and costs.

The challenges

Many countries do not manage their mining assets to drive sustained growth and development. In what is termed the 'resource curse', countries with large mining sectors, non-diversified economies, and poor governance have performed worse in development terms than comparable countries with little or no mining activity. The literature assessing the link between natural resource wealth and economic growth shows that the presence of natural resources is not always associated with higher per capita income growth or human development indicators. Countries that do achieve net benefits from mining often fall short of their potential in terms of sustainable regional development, local business benefits and skills development and transfer. Countries can experience economic instability as a result of volatile prices and so-called 'Dutch Disease' effects, where high exchange rates due to mining dominance make other exports uncompetitive. Commodity price fluctuation can lead to macroeconomic instability in economies dependent on natural resource wealth. In addition, mining can drive inflation by increasing the cost of inputs for other sectors.

In countries where poor transparency and institutional capacity enables corruption and rent-seeking, mining can present lucrative opportunities to enrich powerful elites. If governance is already poor, decision makers can fail to distribute mining windfalls equitably, knowing they will not be held to account. Entrenched social discrimination against particular groups or individuals may result in wealth from mining contributing to further social inequalities or social tension/conflict. For example, in local communities, men often do not share mining royalties with women. These inequalities can also multiply disadvantage because excluding women reduces the likelihood of re-investment at the family and community level.

In developing countries, mining activities may be located in close proximity to established local populations. As groundwater systems and waterways can be affected by mining, local populations may find that surrounding agricultural land and ecosystems on which they depend are negatively affected. An influx of migrant and foreign workers, as well as the loss of land to new sites and roads can create complex social impacts such as an increase in sex work and sexually transmitted diseases including HIV/AIDS, increased crime, the interruption of traditional cultural practices and community displacement and resettlement issues. Effectively enforcing social and environmental safeguards can help to mitigate such risks.

Australia's approach

Australia's development objective for mining for development is: **Supporting developing countries to translate their resource endowment into significant and sustainable development**. This objective supports the achievement of the Australian aid program's development objective, *improving incomes, employment and enterprise opportunities for poor people in both rural and urban areas, including the development of sustainable mining industries to boost overall economic development.*

Australia is one of the world's largest and most successful exporters of minerals and energy commodities and is recognised as a world leader in sustainable mining practices. Within Australia, the resources sector is a major contributor to Australia's economic and social development, having directly contributed over \$500 billion to Australia's wealth in the 1990s and 2000s and directly and indirectly employing 320,000 Australians. Australia will achieve its objective in mining for development through five pillars of support. These pillars build on Australia's experience and knowledge, and recognise that our effectiveness lies in how we apply our experience to local contexts.

- 1. Improving Social and Environmental Safeguards.
- 2. Improving Revenue Transparency.
- 3. Improving Partner Government Frameworks and their capacity to administer them.
- 4. Improving Partner Government Management of Geoscience Data.
- 5. Maximising Economic Opportunities.

Box 1: The Mining for Development Initiative

The Prime Minister of Australia launched the \$127 million Mining for Development Initiative in October 2011, stating "[t]he Mining for Development Initiative will allow us, Australia, to share our significant expertise and experience in mining to assist resource rich developing countries to maximise the benefits and opportunities of mining. This is the best kind of development assistance: assistance that builds sustainability, prosperity and wealth for the future.... This is good aid policy. It allows us to share our world class experience in mining..."

Pillar 1: Improving Social and Environmental Safeguards

Safeguards are needed to protect communities and the environment against losses from mining projects. Governments should protect and defend the interests of vulnerable groups, including indigenous peoples, the poor, people with disabilities and women and girls. These groups are often susceptible to hardship in situations where displacement and/or resettlement occur. Mining projects typically have large and long-term physical impacts often involving the displacement and resettling of people. Displacement occurs when local livelihoods are disrupted, and includes the loss of housing, land, shelter, income and, access to resources and services. Resettlement refers to relocating mine-affected communities and their access to appropriate housing, shelter, land, income and services.

All too often mining creates "winners and losers". Governments have the responsibility to balance short term income from mining against long term costs of environmental damage and social harm, especially to the most vulnerable in local communities. Maintaining a robust safeguards and sustainability regime requires appropriate safeguards legislation and enforcement to ensure compliance by mining projects together with effective polices and processes to achieve mining development that is environmentally and socially acceptable and sustainable. Mine closure is a very important part of safeguards including the principle of developing an initial mine closure plan as part of the license approval process (including mine closure funds or guarantees), updates of closure plans and funding on a regular basis; "close as you mine".

Pillar 2: Improving Revenue Transparency

Countries and regions rich in natural resources such as oil, gas and minerals have tended to under-perform economically against their potential. This does not have to be the case. Greater transparency of tax, royalty and other payments made to governments (national and regional) encourages more efficient and considered expenditure which is development focussed to local communities and national investment funds. Broader macroeconomic management activities will be delivered through partnerships with the International Monetary Fund and the World Bank who are both already active in this area.

Box 2: Australian Support to the Extractive Industries Transparency Initiative (EITI)

Australia is the leading financial donor to the EITI, providing \$17.45 million of support from 2007 to 2015. EITI works to ensure greater transparency and improve accountability and governance. EITI regularly publishes all available data on oil, gas and mining payments by companies to governments and revenues received by governments from oil, gas and mining companies (as assessed by creditable independent auditors).

Pillar 3: Improving Partner Government Frameworks and their capacity to administer them

Development of a sustainable mining sector requires that governments have effective policy, legislative, regulatory, monitoring and enforcement regimes at all steps in the decision chain to maximise the economic and social benefits to their countries. Key areas for government frameworks include exploration, discovery and the decision to extract; project assessments, approvals and regulation; setting the fiscal and contracting regime; the award of contracts and monitoring of operations; collection of taxes and royalties; revenue management and distribution; and sustainable development policies including social and environmental responsibility and business engagement. In additional to sound government frameworks, it is critical that developing countries possess the capacity to effectively administer and enforce them.

Pillar 4: Improving Partner Government Obtainment, Management, and Usage of Geoscience Data

Developing countries' mineral and petroleum systems are relatively under-explored and many developing countries have a limited appreciation of the distribution or value of their resource endowments. This is due to a lack of skilled professionals and education institutions in the mining sector, a lack of comprehensive geoscience knowledge management systems including data and mapping, and weak geoscience governance arrangements. When governments have highly skilled geoscience professionals, knowledge and data about their national mining potential and strong geoscience management arrangements (including licensing), it improves their ability to attract and regulate mining exploration and investment in a sustainable manner and allows for long term economic, physical, and social planning.

Pillar 5: Maximising Economic Opportunities

Mining projects can deliver significant direct and indirect economic benefits to people living in the immediate areas and to national economies. Australian aid will support and encourage actions by government and mining companies to maximise employment opportunities for men and women; enable more effective regional planning; support local businesses and boost local economies by sourcing local goods and services; and build the capacity of local businesses to diversify their enterprises beyond the lifespan of the mine and beyond the local region. To foster long-term community and economic viability and sustainable community development, it is important that governments recognise the importance of diversifying their economies and encouraging development of industries not connected to extractive industries. It is also important that vulnerable and marginalised groups are fully included in the economic opportunities arising from mining projects.

Cross-cutting Issues

Three cross cutting issues will be considered in all aspects of Australia's mining for development assistance.

Gender Equality: Mining projects do not affect people equally. Women and girls get less benefit because the sector employs more men than women, because those women who do obtain jobs are frequently paid less than their male counterparts, and because negative social impacts disproportionately affect women and the children and other family members that they care for. Mining can enforce existing power bases through unequal wealth distributions, which typically favour men. As women are more likely to re-invest income earned at the family and community level multiplying development outcomes, it is critical for women to access economic opportunities through mining.

Box 3: Gender and Mining for Development

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, Indonesia, and Papua New Guinea.

Transparency: While strengthening revenue transparency is one of the pillars of the aid program's approach to mining it is important that ethical and transparent practices are applied at every stage of the mining cycle: from the initial consultation with communities prior to exploration, through the awarding of licences, and the certification of rehabilitation works prior to the decommissioning and mine closure. Increased transparency improves governance and fairness, reduces opportunities for corruption, and contributes to a greater public awareness of the costs and benefits that mining projects bring.

Social and Environmental Safeguards: Safeguards will be incorporated into all Mining for Development activities as a cross-cutting issue, as well as being a pillar of support in its own right. Mining, particularly in developing countries, is a controversial and often polarising topic and one that poses considerable risk to governments and communities, as well as to other stakeholders including the Australian aid program. Almost all aspects of the regulation, management and operation of a country's mining sector have social and environmental safeguards implications.

Box 4: Social Responsibility for the Mining and Metals Sector in Developing countries

In October 2011, the Australian Ministers for Foreign Affairs, Resources and Energy launched a new handbook on Social Responsibility for the Mining and Metals Sector in Developing Countries: "the handbook is a guide for best practice in social responsibility for resource companies operating in developing countries, to ensure communities receive long-term benefits from mining." The handbook was a partnership between AusAID and the Department of Resources, Energy and Tourism involving extensive input from the private sector and non-government organisations.

How Australia will work

The Mining for Development strategy supports developing country **governments** to increase government capacity and willingness to: transparently and effectively collect, manage and reinvest extractives revenue; establish and enforce clear, stable and fair regulatory, institutional and policy frameworks (including appropriate legislation on property rights and land use issues, occupational health and safety and human

rights); sustainably managing natural resources; and conduct informed negotiations with proponents. The Australian aid program provides a range of practical advisory, education and training services to developing country governments in the five pillars 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, through holding annual conferences, and through alumni support. Under AusAID's scholarships program, Australian Mining Awards also provide enhanced leadership, knowledge and technical skills to individuals in partner governments, tertiary institutions and strategic organisations that are driving sustainable mining development. Australian Mining Awards enable undergraduate and postgraduate scholarships in fields such as engineering, geology, public administration, natural resource economics and environmental management.

The regulation and management of mining activities requires highly technical and specialised expertise across a range of fields, including chemistry, geology, environmental management, civil and mechanical engineering and social impact assessment and management. Building the capacity of partner governments in these areas requires long term investments measured in decades in key departments, individuals and systems. Establishing effective enduring relationships with the right people in the right areas is critical. This is why Australia will establish **Mining and Development Partnerships** with developing countries. Following inclusive needs assessments, the Partnerships will be structured around a *work plan of jointly agreed activities* designed to make progress towards improving the capacity of developing country governments to translate their resource endowment into significant and sustainable benefits for all citizens. They will also establish the commitments of developing countries required to enable this progress to occur. This may include access to departmental facilities including office space, ICT and appropriate information for Australian Government officials on twinning programs, a merit based approach to the identification of promising individuals within the relevant agencies for training, and ensuring the availability of these individuals for further capacity building. Specific effort will be made to ensure that the Partnerships capture how both men and women will participate and benefit from agreed activities.

Box 5: International Mining for Development Centre

In partnership, the Australian Government, the University of Western Australia, and the University of Queensland have established the International Mining for Development Centre. The Centre will provide practical advisory, education and training services to assist in lifting the quality of life in developing countries through a more sustainable use of mineral and energy resources. The \$31 million Centre was opened in October 2011 and by 2015 will deliver training to over 2,000 participants in the five pillars.

Australia coordinates with **companies** on corporate policies and practices to support outcomes such as gender equality, local employment and procurement, improved community engagement, grievance management processes, and environmental protection. Australia works with mining projects to ensure that the benefits of their operations and the revenue they generate are maximised and the negative impacts mitigated. This engagement ranges from industry involvement in AusAID funded leading practice publications, to Australian mining operations hosting officials from developing countries at their mine sites to demonstrate the effectiveness of their safety, environmental and community engagement systems, to leveraging off mining companies' investment in infrastructure to support improved access to services for communities in rural areas. It is important to note, however, that **the aid program will not be used to offset companies' corporate social responsibility obligations** and is not a vehicle for the promotion of mining, or the promotion of Australia's mining industry.

We support **civil society** to enable community representation and participation in decision-making processes by both men and women; and effective civil society oversight and understanding of mining activities to ensure those living in poverty benefit from the development of the mining sector. The

realisation of the full spectrum of mining benefits requires genuine dialogue and partnership between civil society, industry and government (at all levels). The Australian aid program will support replicable pilot activities in which the three groups of stakeholders work together on social, environmental and economic issues at a level "beyond corporate social responsibility obligations" and "beyond the mine", for example at a regional (district or province) level. Australia will also continue to support developing countries to implement the Extractive Industries Transparency Initiative (EITI) which advocates for and assists countries to increase the transparency of transactions between governments and mining companies with the inclusion of civil society.

Links to Other Areas of Australian Assistance

Mining for development activities will be designed and implemented in cooperation with other thematic areas of Australian assistance, including teams working in public financial management, community driven development, anti-corruption, governance, economics, gender, environment, and rural development. The Mining for Development Section within AusAID is responsible for ensuring appropriate engagement.

Policy Development

Australia's policy position on Mining for Development is informed by its support for or application of a number of multilateral frameworks and charters:

- <u>Extractive Industries Transparency Initiative (EITI)</u>: A combined government, industry, and nongovernment initiative to promote transparency in the payments made by extractives companies to governments. Australia announced a domestic pilot of the EITI in 2011 and is the largest donor to the EITI Secretariat and World Bank Trust Fund that support implementation in developing countries.
- <u>The OECD Guidelines for Multinational Enterprises</u>: Voluntary principles and standards for responsible business conduct in a variety of areas including human rights, anti-corruption, taxation, labour relations, environmental and information disclosure. Companies of OECD member countries are expected to act in accordance with the principles and to perform to, at a minimum, the standards.
- <u>Africa Mining Vision</u>: The African Mining Vision (AMV) was developed by Africa's Ministers responsible for Mineral Resources in 2008. The AMV advocates for 'transparent, equitable and optimal exploitation of mineral resources to underpin broad-based sustainable growth and socio-economic development'. AusAID is supporting efforts to promote the AMV and the development of an African Minerals Development Centre to provide technical and policy support to the African Union and its member states.
- <u>Natural Resource Charter</u>: A series of economic principles for governments and societies on how to sustainably manage the opportunities created by natural resources. AusAID is supporting work on the development of more detailed guidance for developing countries on how to implement Charter principles and expanded advocacy, research and benchmarking.
- <u>Voluntary Principles on Security and Human Rights (VPs)</u>: A human rights framework for the security operations of extractive industry companies established in 2000 by the US and UK governments, together with a core of companies and non-government organisations. The VPs provide guidance to companies to: conduct assessments of human rights risks associated with security, including a focus on complicity; screen and train public and private security forces in human rights issues; ensure that the use of force is proportional and lawful; develop systems for reporting and investigating allegations of human rights abuses.

- <u>Guiding Principles on Business and Human Rights</u>: designed to provide high-level guidance to businesses on how to ensure they respect human rights in partnership with states to protect them, the UN Human Rights Council endorsed the "Guiding Principles on Business and Human Rights: Implementing the United Nations 'Protect, Respect and Remedy' Framework" in 2011.
- <u>Equator Principles/International Finance Corporation (IFC) Performance Standards</u>: The Equator Principles are a framework by which financial institutions can manage environmental and social issues in project financing. Institutions that have adopted the Equator Principles commit to not providing loans to projects where the borrower will not or is unable to comply with these social and environmental policies and procedures.

Conclusion

This thematic strategy positions Australia's mining for development assistance to be able to respond to the challenges ahead, be confident about results, and adopt a strong focus on learning from implementation. The five pillars of support presented in this thematic strategy build on Australia's strengths, and identify new and coherent opportunities for Australian assistance.

Appendix A: Indicative Mining for Development Indicators

The following indicators may be used to monitor and evaluate the results of Australia's mining for development assistance. A detailed sector results framework will be developed in 2012.

Pillars for Australia's investment in mining for development	Indicative Indicators for mining for development outcomes (<i>focus will be on</i> <i>phase one countries</i>)	Main Source(s)	
Pillar 1: Partner governments implement internationally recognised social and environmental safeguards	An increased number of developing countries have social and environmental safeguards that are consistent with international best practice Developing countries have increased capacity to assess and manage safeguards issues and enforce compliance Reduced political instability and violence linked to mining activity	Worldwide Governance Indicators: Political Stability and Absence of Violence Fraser Institute scores: Political stability; Environmental regulations; Uncertainty concerning disputed land claims; Uncertainty over which areas will be protected; Socioeconomic agreements / community development conditions International Mining for Development Centre Annual Report AusAID Mining for Development Strategy Mid Term Evaluation	
Pillar 2.: Developing countries have strengthened transparency of financial resources from mining and extractives revenue	Increased transparency of government revenue from mining and extractives projects Improved civil society awareness and oversight of resources sector issues Reduced corruption in developing countries' mining and extractives sectors	Worldwide Governance Indicators: Political Stability and Absence of Violence; Control of Corruption Revenue Watch Index Increased number of countries compliant with the Extractive Industries Transparency Initiative (and quality of reporting) International Mining for Development Centre Annual Report AusAID Mining for Development Strategy Mid Term Evaluation	
Pillar 3: Partner governments implement internationally recognised regulatory frameworks	An increased number of developing countries have regulations that are consistent with international best practice and the capacity to monitor and enforce compliance with them More transparent, efficient and predictable mining approvals and project management processes and increased government capacity to implement them Barriers to female participation in the resources sector removed	Worldwide Governance Indicators: Government Effectiveness Fraser Institute scores: Policy potential; Political stability; Taxation regime; Trade barriers; Labour regulations IM4DC annual report World Bank, country program reports International Mining for Development Centre Annual Report AusAID Mining for Development Strategy Mid Term Evaluation	
Pillar 4: Partner governments have adequate geoscientific capacity to understand plan manage and utilise national mineral wealth	Improved quantity and quality of geoscience information and greater capacity to manage it Number of countries with increased investment in exploration	Fraser Institute scores: Quality of geological database; Mineral potential Number of countries with increased investment and exploration International Mining for Development Centre Annual Report AusAID Mining for Development Strategy Mid Term Evaluation	

Pillars for Australia's investment in mining for development	Indicative Indicators for mining for development outcomes (<i>focus will be on phase one countries</i>)	Main Source(s)
Pillar5:Developingcountrieshaveincreasedhumanand physical capitalfrom mining	Improved capacity to negotiate broader benefits with project proponents	Fraser Institute scores: Quality of infrastructure; Availability of labour and skills
	Improved and more equitable benefit sharing and royalty regimes	Australian Awards data, domestic labour market information where available
	Increased availability of mining professionals and skilled labour	Decreasing number of resource dependent economies (World Bank)
	Increased industry adoption of leading practice social responsibility practices	Increasing number of countries investing mining boom in the future
	Increased female participation in the resources sector	International Mining for Development Centre Annual Report
	Increased use of mining revenue for economic diversification measures	AusAID Mining for Development Strategy Mid Term Evaluation
	Improved opportunities for mine-impacted communities	

Annex 2: Support to Phase One (2012-2015) and Other Countries

Through to 2015 we will focus the majority of our mining for development support in a program approach to a small number of countries (phase one countries), avoiding the risk of a fragmented portfolio of implementing a large number of small activities and/or working across a large number of countries.

Phase one countries were determined by the levels of need, the significance of mining to the national economy, Australia's capacity to assist including current relationships and track record, other assistance being provided by other donors, and the assessed government capacity and willingness to accept and adopt the assistance delivered. Support will be provided through mechanisms funded through the Mining for Development Initiative and via country and regional programs such as the Australia Africa Partnerships Facility. AusAID's mining for development section will play an on-going role in the coordination and management of the support provided across AusAID and its whole of government partners.

The phase one countries are: **Afghanistan, Ghana, Liberia, Mongolia, Mozambique, Peru, and Zambia.** The Australian aid program will also support key regional and global initiatives such as the African Union's African Mining Vision. A number of developing countries have expressed an interest in accessing Australia's expertise in Mining for Development using their own funding or a combination of funding from other sources. On receiving such requests AusAID will facilitate access through existing instruments where that is appropriate, such as the International Mining for Development Centre. In addition, Australia will continue its current development assistance on issues related to mining in, for example, Indonesia, Laos, Papua New Guinea and the Philippines.

Developing countries not included in phase one will be able to access assistance through the International Mining for Development Centre, scholarships and multilateral organisations that Australia contributes to, such as the Extractive Industries Transparency Initiative and IMF Topical Trust Fund on Managing Natural Resource Wealth. The future of Mining for Development activities will be guided by the results of phase one and may involve a reprioritisation of countries and/or activities. Annex 2 sets out the activities that will be available to phase one countries and other countries with significant mining sectors.

	Phase 1 Country	Other Country
Capacity Building (such as provided through the International Mining for Development Centre)		
- Short Courses	Yes	Partial
- Fellowships	Yes	Partial
- Tailored Advice	Yes	No
Australia Mining Awards	Yes	Partial
Twinning through government linkages	Yes	No
Community and social development programs	Yes	Yes (if in regional / comparison study with a phase 1 country)
Support for EITI implementation	Yes via the EITI Secretariat/MDTF	Yes via the EITI Secretariat/MDTF
Support for improved financial management	Yes via WB and IMF	Yes, via WB and IMF