

Industry Agenda

Strategic Dialogue on the Future of Guinea Responsible Mineral Development Initiative

Conakry, Guinea 21-22 February 2017

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Contents

- 3 Introduction
- 3 The Initiative
- 4 Thematic Workshops
- 4 RMDI Survey
- 5 Challenges and Next Steps

Introduction

The extractives sector is intricately linked to Guinea's future economic development and the Guinea government is focused on responsibly leveraging the sector to maximize broader economic growth. The government has undertaken a significant overview recently of the fiscal, contractual and regulatory regime related to the extractives sector. In addition, it is focusing on other ways to create value from the industry for the broader Guinean economy. Particular areas of focus include energy and transport infrastructure, employment and skills development. This is also critical in the context of post-Ebola economic recovery.

Consistent with other parts of the world, local communities in Guinea have also become more active, seeking a more equitable share of the benefits created as a result of mining.

Many international extractive companies and investors support Guinea's ambition to leverage the sector more broadly and have been active in addressing some concerns of the local communities. However, to make the long-term commitments required, they want to ensure there is an adequate level of investment stability, more clearly defined roles and responsibilities between stakeholders, as well as a broad understanding of the trade-offs in making some of these commitments.

In early 2014, the President of Guinea invited the World Economic Forum to facilitate the Responsible Mineral Development Initiative (RMDI) in Guinea and support the country's mineral development strategy.

A Memorandum of Understanding between the Government of Guinea and the World Economic Forum was signed on 31 March 2014 setting out the framework for collaboration. The implementing partner in Guinea was the UNDP, with the support of the African Mineral Development Centre. Other active organizations involved in the development and implementation included the IFC and World Bank.

A national-level, multistakeholder roundtable was agreed for 24 September 2014. However, as a result of the Ebola situation, the roundtable and RMDI were put on hold until January 2016, when Abdoulaye Magassouba, the new Minister of Mines and Geology, confirmed the commitment to RMDI Guinea and requested an updated roadmap.

Magassouba's vision is to create an inclusive strategic plan for the sector in Guinea to align expectations and create value.

The Initiative

The objectives of RMDI Guinea are to:

- Create a better understanding and alignment on how the extractives sector can create value for all stakeholders and further define roles and responsibilities
- Identify priority themes and areas for joint action and possible approaches to accelerate development using multistakeholder collaborative approaches
- Inform a national strategic plan for the mining sector
- Establish a working group to implement the outcomes of the RMDI
- Discuss formalizing a permanent multistakeholder dialogue platform

Chronology

- **June 2016**
RMDI Guinea launch
- **July 2016-January 2017**
Thematic Workshops
RMDI Survey
- **February 2017**
National Roundtable



Thematic Workshops

To better understand the Guinean mining sector and to accommodate the launch of the RMDI survey, five priority thematic topics were identified in multistakeholder panels:

Legal and regulatory framework: Identification and assessment of tools for stability, good investment climate, and facilitation of local-global partnerships

Mining infrastructure: Development of a shared infrastructure programme, both with social and other industrial (i.e. energy) purposes, following the newly developed regulatory framework

Mining and community development: Focus on transparent management, monitoring and control of activities, and communication management

Artisanal mining: Important source of job and income creation to be improved through regulation that benefits all the parties involved

Mining influence in national economy: Mining income reinvestment, taxes management, social and environmental influences.



“
A new world will transform Africa and offer huge opportunities to developing countries. It is our task to ensure that the hopes this technology inspires can bring benefits to all our people, not just the few.
”

Alpha Condé, President of Guinea

RMDI Survey

Although the revenues generated by the mining industry are considerable, the perception and understanding by the different actors is often diverse. With the purpose of identifying this misalignment, eight main areas of interest were evaluated in a survey:

1. Taxation (taxes, licence fees, property)
2. Employment and qualifications
3. Environment and biodiversity
4. Socio-cultural conditions
5. Supply chains
6. Added value processing chain and downstream activities
7. Infrastructure
8. Artisanal mining

The results revealed the need to establish increased collaboration and trust between the different actors involved in the management of the Guinean mining sector. This should start with the establishment of a framework for constructive and permanent dialogue around the eight areas above.

This dialogue framework should be based on the expectations and concerns expressed by all the stakeholders in the course of this survey, as well as the facts and data relating to the creation of value. It should identify the stakeholders' points of convergence and divergence in each area of the survey, and also the compromises acceptable to all stakeholders.

Efforts must be focused on improving the understanding of the views and expectations of each actor concerned regarding the value-adding factors. This involves adopting, for this purpose, a global vision of the value, taking into account several aspects, in particular environmental, cultural, psychological and economical (costs and benefits).

To make the framework of dialogue proactive and more effective, it will be necessary to:

- Invest in the training of all stakeholders (mining companies, artisanal miners, states, community leaders, civil society and NGOs) on the nature, sources and timetable of benefits, costs and risks of the mining operation, the value-generating factors, and the favourable structural factors
- Search for ways to increase collaboration within groups of stakeholders
- Create mutual value by establishing long-term partnerships.

Challenges and Next Steps

As a result of the accomplishment of the RMDI implementation in Guinea, and after a multistakeholder consultation during the Roundtable hosted by President Condé (Conakry, 21 February 2016), the following challenges were identified as the main priorities for the Guinean mining sector:

– Regulatory Framework

- Accelerate mining law text revision and implementation
- Promotion of a new, stable and relevant framework
- Inclusive approach considering shared infrastructure, community inclusion and artisanal mining

– Mining Infrastructure

- Lack of necessary infrastructure to develop the full potential of the country
- Reinforcement of a precarious port and railway infrastructure
- Promotion of shared infrastructure development

– Community Development

- Promotion of multistakeholder alignment
- Establishment of a permanent internal and external communication strategy
- Definition of terms and responsibilities in revenue management
- Increased transparency
- Establish a monitoring system management
- Development and “after-mining” strategy

– Artisanal Mining

- Definition of environmental impact
- Consideration of taxation pertinence
- Development of a full regulation framework

– Governance

- Definition of administrative burden
- Development of a consultation framework
- Establishment of local development fund
- Promotion of a multistakeholder alignment

– Investment Attraction

- Implementation of a risk-management strategy
- Definition of a tax benefits policy
- Designation of authority in charge
- Commissioning of an anticorruption system

The process has resulted in the construction of the medium-term and long-term strategic action plan, through a common methodological approach integrated by thematic groups, to order and prioritize the identified priorities:

- Perception improvement
- Decision-making likely to affect the constraints
- Optimization of mining operations
- Integration of mining activities into national economy
- Implementation of administrative tool to manage economic impacts
- Knowledge and attenuation of environmental and social challenges

An action plan has been discussed and agreed during the Roundtable and will be followed by:

- The constitution of a working group to pilot the implementation of the conclusions and agreements achieved during the Roundtable
- The creation of a permanent dialogue platform
- The integration of the action plan into the Guinean mining national strategy





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