



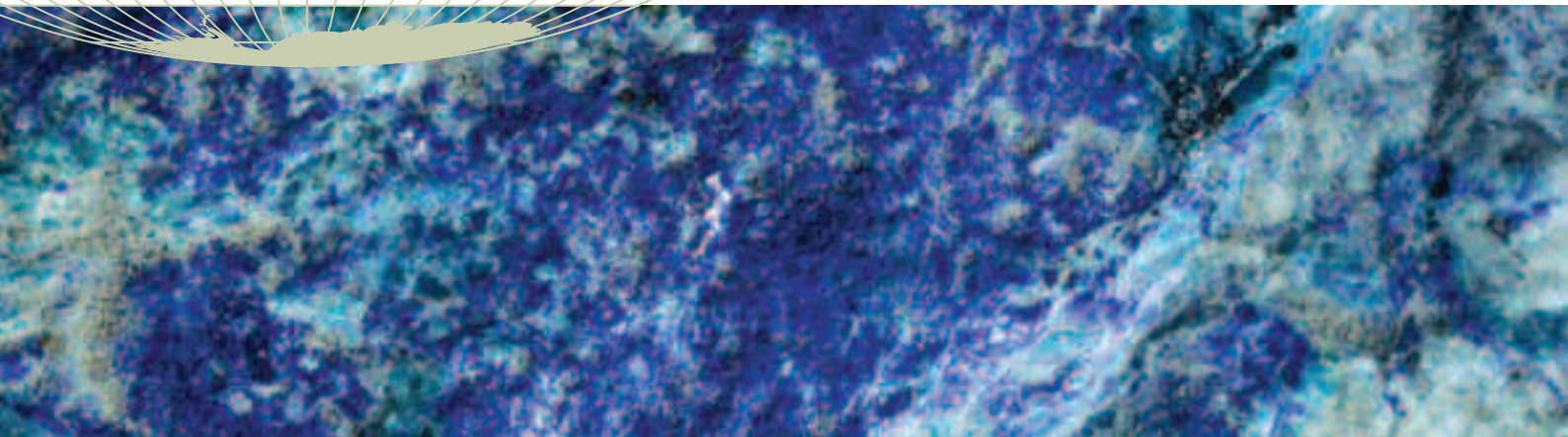
# Resource Endowment Guide

**The Challenge of Mineral Wealth:**  
using resource endowments to foster  
sustainable development

April 2006

Spotlight series

05



# Resource Endowment Guide

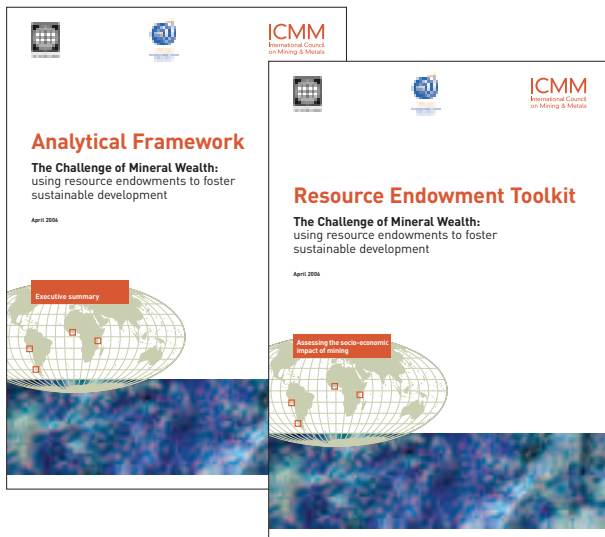
## Phase 1

### Analytical Framework and Tools

(May 2004 – December 2004)

The Analytical Framework Executive summary report presents an abbreviated literature review and assesses the performance of 33 mineral dependent countries across a range of socio-economic indicators. The Resource Endowment Toolkit provides a systematic and consistent approach to documenting the impacts (both good and bad) of individual mining projects on a local, regional and national level.

For the full text of the Analytical Framework and additional online resources visit [www.icmm.com](http://www.icmm.com)



A 'Spotlight series' to summarize key aspects of the Resource Endowment initiative has been introduced. The initial Phase 1 and 2 spotlights are: The Prize; The Challenge; Ways Forward; Process and Feedback; and Resource Endowment Guide. These will be added to during Phase 3.



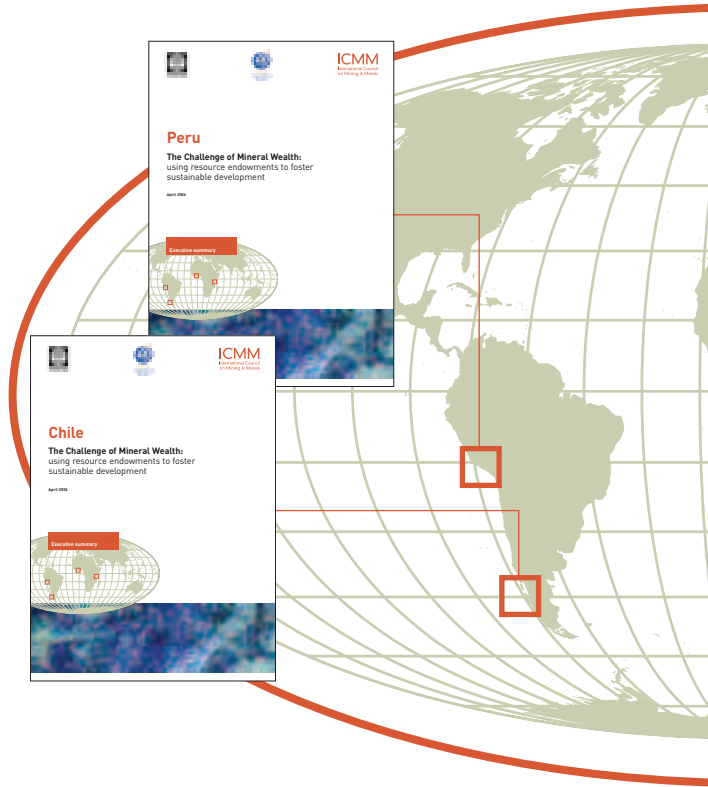
## Phase 2

### Testing, Synthesis and Emerging Lessons

(January 2005 – December 2005)

The methodology of the toolkit is then tested in four country field-based case studies.

For the full text of the country case studies visit [www.icmm.com](http://www.icmm.com)



**Stakeholder Engagement** has been an integral part of the Resource Endowment initiative since its inception, involving representatives from governments, academia, civil society groups, labor organizations, equator banks and multilateral institutions. This has included an iterative interaction through an Independent Advisory Group, as well as structured feedback and debate at workshops held in the latter stages of Phases 1 and 2. These workshops have profoundly and positively influenced the direction and focus of the Resource Endowment initiative, and will continue in Phase 3.

## Phase 3

### Action Learning through Partnerships

(January 2006 onwards)

The activities of Phase 3 will include a number of 'pilot projects' in partnership with others to encourage uptake of the Phase 2 recommendations and, as a consequence, enhance the contribution of mining to social and economic development. Phase 3 will also focus on dissemination and outreach.

For the latest information on Phase 3, including details of pilot initiatives and partners visit [www.icmm.com](http://www.icmm.com)



The findings from the four country case studies are synthesized into a single report along with a series of recommendations for industry, host governments, donor organizations and NGOs.

The International Council on Mining and Metals (ICMM) is a CEO-led organization comprising many of the world's leading mining and metals companies as well as regional, national and commodity associations, all of which are committed to improving their sustainable development performance and to the responsible production of the mineral and metal resources society needs.

ICMM  
19 Stratford Place  
London W1C 1BQ  
United Kingdom

Telephone: +44 (0) 20 7290 4920  
Fax: +44 (0) 20 7290 4921  
Email: [info@icmm.com](mailto:info@icmm.com)

This document presents a **Resource Endowment Guide** to an initiative instigated by ICMM<sup>1</sup> under the banner of 'The Challenge of Mineral Wealth: using resource endowments to foster sustainable development', also referred to as the Resource Endowment initiative<sup>2</sup>. This action-research initiative is being done together with UNCTAD and the World Bank Group, with broad stakeholder engagement.

In May 2004, ICMM initiated its Resource Endowment initiative to better understand how large scale mining activity in low and middle income countries can enhance the socio-economic development of host countries. The initiative aims to isolate the drivers of development effectiveness in the mining and metals sector and to document the policy frameworks, operational practices, and partnership arrangements that deliver sustainable outcomes on the ground. This action-research initiative is being done together with UNCTAD and the World Bank Group. ICMM also consulted stakeholders such as mining companies, governments, donor agencies, labor and non-governmental organizations (NGOs).

Much of the 'resource curse' literature has focused on problems rather than solutions. Consequently it is not of much practical help in designing improved policy or filling gaps in knowledge. For example, how have apparently 'successful' countries avoided problems now so widely perceived? Can such outcomes be repeated in other developing economies endowed with an abundance of mineral resources? How should the main stakeholders work together to enhance positive socio-economic outcomes from mining investments?

The three distinct phases of the initiative and related products are outlined below.

### Phase 1: Analytical Framework and Tools

The initial phase of the project concentrated on the development of an analytical framework focussing on governance processes, including the underlying factors and rules of the game that affect social and economic interactions and outcomes. These aspects were incorporated into a practical toolkit to assess local, regional and national socio-economic impacts of mining. The toolkit also deals with how mining operations impact on governance structures, institutions and policy changes at different levels of government. Phase 1 involved an extensive literature review, and a 'coarse-sift' comparative analysis of the relative economic and social well-being of 33 countries with a high dependence on minerals. Initial findings were critiqued in a multi-stakeholder workshop which helped to shape a revised approach.

#### Phase 1 Published reports:

- Analytical Framework: Executive summary
- Resource Endowment Toolkit.

The following additional online resources are also available:

#### Phase 1 Additional Online Resources:

- Analytical Framework: Main Report
- Literature Review
- November 2004 Workshop proceedings.

'mining had shown some evidence of having successfully contributed to economic and social improvements'

### Phase 2: Testing, Synthesis and Emerging Lessons

This involved applying the toolkit to two main and two comparator countries, Peru (with Chile as a comparator) and Ghana (with Tanzania as a comparator). In all four countries, mining had shown some evidence of having successfully contributed to economic and social improvements. The purpose was to test out the toolkit, to assess whether it could be applied to a broader set of mining countries, and to propose refinements. The findings were reviewed by a second multi-stakeholder workshop which provided valuable feedback.

#### Phase 2 Published reports:

- Four country case study executive summaries
- Synthesis report of findings of the four case studies.

The following additional online resources are also available:

#### Phase 2 Additional Online Resources:

- Ghana, Tanzania, Peru and Chile country case studies
- October 2005 Workshop proceedings.

In addition, a number of other publications summarize the process or findings of both Phases 1 and 2 and signal ICMM's approach to Phase 3.

- A Spotlight series that summarizes key aspects of Phases 1 and 2 (The Prize; The Challenge; Ways Forward and Process and Feedback)
- Resource Endowment Guide to Phases 1, 2 and 3.

### Phase 3: Action Learning through Partnerships

The activities of Phase 3 will include a number of 'pilot projects' in partnership with others to encourage uptake of the Phase 2 recommendations and, as a consequence, enhance the contribution of mining to social and economic development. Phase 3 will also focus on dissemination and outreach.

For the latest information on Phase 3, including details of pilot activities and partners visit [www.icmm.com](http://www.icmm.com)

<sup>1</sup> The International Council on Mining and Metals.

<sup>2</sup> The initiative is managed by Kathryn McPhail, Principal, ICMM.