



Serbia
Mining Sector Diagnostic (MSD)

Final Report
January 2020

Serbia - Mining Sector Diagnostic (MSD)
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I. Executive Summary

The mining sector currently contributes less than 1 percent to GDP, but Serbia has a rich mineral endowment that has for the past decade attracted the interest of leading multi-national exploration and mining companies. There are two advanced stage exploration projects that offer potential opportunity for new billion-dollar investments that, if guided by good international industry practice, would catalyze broad economic linkages, infrastructure upgrades and strong export earnings. Converting these discoveries into productive assets requires strong sector governance.

The Serbian Prime Minister's office asked the World Bank in 2017 to prepare a policy note on the mining sector which would summarize key sector issues. The short note was subsequently expanded and then led to a request for a more systematic sector diagnostic. A Mining Sector Diagnostic (MSD) was requested by Minister Antic in June 2018.

Following the request, a desktop assessment commenced using a local lawyer. In late June a workshop was held in Belgrade hosted by the World Bank with participants from across government Ministries, industry and civil Society. The preliminary findings of the MSD were presented in August to Minister Antić, State Security Ms. Mirjana Filipović and Assistant Minister Mrlvan Janković. In September the preliminary findings were presented to the wider stakeholders and participants at a workshop.

The MSD finds that Serbia has many of the foundational building blocks necessary for a robust mining sector going forward. Serbia's institutional arrangements for the mining sector are strong. The legal framework for the mining sector is generally strong, in particular with respect to licensing, taxation and revenue management. Sector performance could be further improved, though, in some areas as follows:

Sector Management Framework

There are two key actions that would improve the functioning of Serbia's sector management framework. First, a mining sector policy should be developed through a consultative process with all stakeholders. This should be seen as a consensus-building exercise that results in commitment by all actors to a stronger mining sector. The policy should be widely publicized, be integrated with the overall national development plan and a separate investment strategy for the mining sector should be developed on this basis. A sector policy is a requirement under the mining law and as such Ministry of Mining and Energy has started this to draft the required sector policy.

Secondly, measures should be taken to improve the mining sector dialogue. The establishment of a new representative industry consultative body to represent the opinions of the mining industry or greater representation through any of the existing organizations would be helpful. The sector dialogue should also include civil society representatives and community groups. Regarding the latter, there is a need to proactively map civil society stakeholders.

Legal and Regulatory Framework

Legal and regulatory requirements are lacking in several key areas and priority should be given to close these gaps:

- Prepare, consult and finalize for promulgation mining regulations, particularly the rule books for modern large scale mine developments
- Review financial assurance mechanisms covering mine closure.

Institutional Capacity and Effectiveness

Several government agencies appear to have capacity constraints in terms of staffing and budget. Government should ensure that all relevant agencies (GIS, Mining cadaster, unit monitoring licenses and unit monitoring environmental/social impacts) are adequately staffed and have sufficient budget to fulfill their mandate. This would likely improve weaknesses in implementation.

Additional points to pursue include:

- Consider ways to improve administrative systems within MME to facilitate decision making by Ministry officials on mineral rights and other licensing requirements
- Resolve geodata ownership and purchasing issues
- Using working groups for assessing mining application under the new regime and working cross government to build confidence in the application process for mining licenses and associated permits and consents.
- Building capacity in the large company taxation department on transfer pricing, mining company auditing and mineral valuations

Sector Transparency and Accountability

Key steps that could be taken to improve the transparency in the resource sector are:

- Disclosure of resource revenue and encourage the use of publicly available revenue statistics.
- Public availability of licenses conditions and obligations.
- Continue to improve availability of and access to Environmental and Social Impact Assessments, Environmental and Social Management and Mitigation Plans, Mine Closure and Reclamation Plans, and other relevant documents.

Improvement in the accountability could be obtained by:

- Regulating the legal requirement that mining companies consult with affected communities and local government during the preparation of the MCRP.
- Amend the legal requirements for community stakeholder consultations to ensure that they are held throughout the life of the mine.
- Develop of national policy on Corporate Social Responsibility.

The MSD also gathers information on stakeholder priorities—defined as areas where reforms would be most likely to significantly improve the functioning of the sector with the aim of increasing the mining sector’s contribution to overall sustainable growth and development. Results showed no strong convergence on top priorities in any of the three stakeholder groups. But a total of seven areas are shared priorities for two of the three groups. Government and industry representatives jointly agree on “Intra-Governmental Coordination” and “Mining Tax Auditing” as priority areas. Government and civil society representatives jointly agree on “Environmental and Social Impact Management”, “Mining Tax Administration Rules”, and “Resource Revenue Transparency” as priority areas. Industry and civil society representatives jointly agree on “Sector Dialogue” and “Tax and Policy Instruments” as priority areas. Of these overlapping priority areas, the three with the lowest scores in the MSD framework are “Sector Dialogue), “Resource Revenue Transparency”, and “Tax Policy and Instruments”.

II. Introduction

The Mining Sector Diagnostic (MSD) is a tool that the World Bank has developed to comprehensively assess the laws, policies and regulations in a country's mining sector. The MSD identifies the strengths and weaknesses of the institutions that administer the laws, policies and regulations and monitor and regulate the sector. It addresses the "rules" in place (the so-called de jure performance) as well as the extent to which these "rules" are implemented in practice (the so-called de facto performance).

The MSD considers the views of the three main stakeholder groups – government, mining investors and civil society representatives in a structured manner. It is a systematic and practical diagnostic tool, that informs objectively. The results of an MSD can form the basis for sector reforms that bring about a more vibrant mining sector that contributes to growth and prosperity for the entire population.

The Serbia MSD collects and shares information on its mining sector's management structure and governance. It analyses the rules and policies that exist in the mining sector and the gap between these rules and their implementation in practice. It not only reviews sector performance from the perspective of the three main stakeholder groups, but also provides their priorities to improve mining sector performance.

In 2017, the Serbian Prime Minister's office asked the World Bank to prepare a policy note on the mining sector which would summarize key sector issues. The short note was subsequently expanded and then led to a request for a more systematic sector diagnostic. The MSD was requested by Minister Antic in June 2018. Following the request, a desktop assessment commenced using a local lawyer. In late June a workshop was held in Belgrade hosted by the World Bank with participants from across government Ministries, industry and civil Society. Input from this workshop, MSD questionnaires and follow up interviews with stakeholders are the inputs to the MSD tool.

A wide range of Ministries were interviewed including the Ministry of Mining and Energy, (MME), Ministry of Environmental Protection and the Ministry of Agriculture, Forestry and Water Management. Respondents from industry included Dundee Precious Metals, Rio Tinto, Mundoro, Jantar Group, Terra Gold & Co, Rakita Exploration (Nevsun), Freeport McMoRan. Civil society participation included Belgrade Open School and Citizens' Reading Room Europe (Bor). Other respondents include academics from the Faculty of Mining and Geology at the University of Belgrade. All respondents filled out questionnaires and provided information on their sector priorities.

The preliminary findings of the MSD were presented in August to Minister Mr. Aleksandar Antić, State Security Ms. Mirjana Filipović and Assistant Minister Mr Ivan Janković. In September the preliminary findings were presented to the wider stakeholders and participants at a workshop. This report summarizes the findings of the MSD.¹

This report is organized as follows. Section III provides an overview of the mining sector in Serbia—its importance in the overall economy, the main institutional roles and responsibilities, and an overview of the legal and regulatory framework governing the mining sector. A high-level summary of the results is presented in Section IV—discussing the data as aggregated into the MSD dashboard and analyzing implementation gaps between de jure and de facto performance.

¹ Detail on the MSD methodology can be found in Annex I. The MSD does not assess the coal mining sector. A coal mine closure assessment for Resavica is being supported through a separate ESMAP TF.

Section V discusses the strength and weaknesses of the sector management framework in place for the mining sector in Serbia. Section VI discusses the detailed findings regarding the strength and weaknesses of Serbia’s mining sector. The discussion is structured using the five stages of the Extractive Industries Value Chain—(i) Contracts, Licenses, and Exploration; (ii) Operations; (iii) Taxation and State Participation; (iv) Revenue Distribution and Management; and (v) Local Impact. For each of these stages the MSD assesses de jure and de facto performance.

Section VII analyzes stakeholder priorities defined as those areas that respondents identified are the key priority areas—reforms in which would have a significant impact on improving the contribution of the mining sector to sustainable economic development and well-being for the entire population. Section VIII concludes with a summary of sector strength and recommendations for a reform agenda.

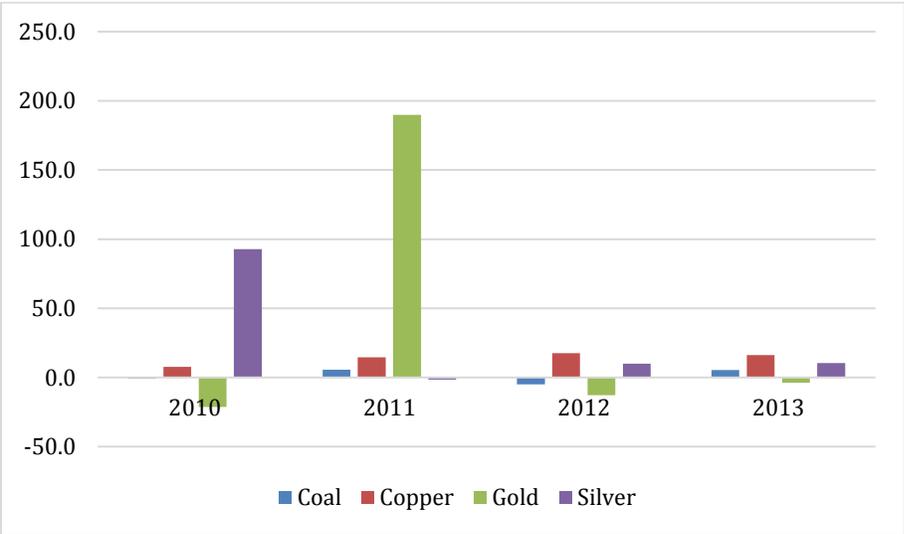
This report has four Annexes. Annex I provides a brief overview of the MSD methodology. Annex II contains the MSD questionnaire and the scores for all individual questions that form the basis for this report, Annex III contains the Voting Template used during the MSD interviews to elicit stakeholder priorities. This report and the underlying data will be made publicly available on the MSD website.

III. Serbia’s Mining Sector

1. Mining Sector Importance

Serbia is endowed with mineral resources, including precious, base and industrial metals, and hydrocarbons. The mineral industry is dominated by copper production in the vicinity of Bor. Other mineral and mineral-based commodities produced in the country included cement, coal and clay. The growth in output for major metal and industrial metals is generally stable (see Figure 1 below).

Figure 1: Growth (in percent) in the Production of Key Minerals in Serbia, 2010-2013



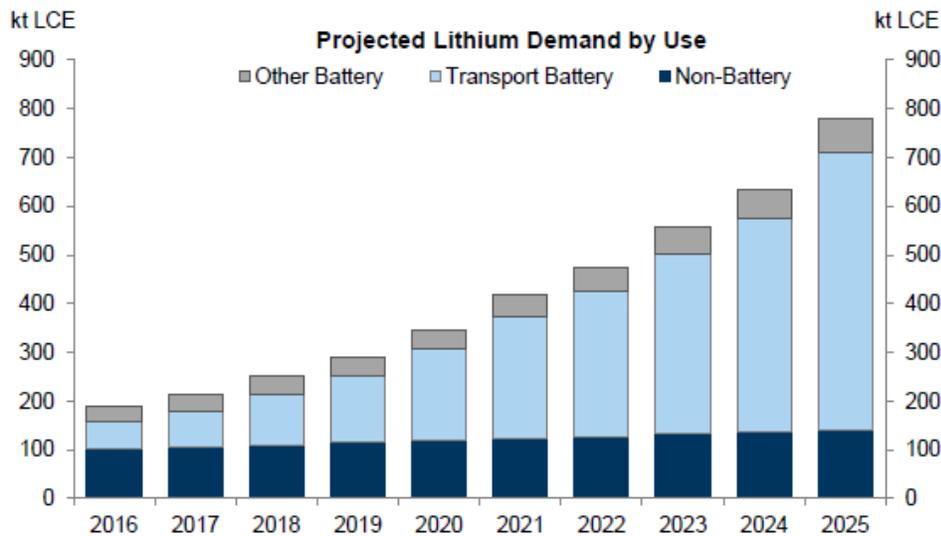
Source: The U.S. Geological Survey (2014)

There is renewed interest in Serbia’s mineral potential, following recent discoveries of mineral deposits. These include the high-grade copper-gold mineralization at Cukaru Peki/Timok south of Bor and the presence of substantial lithium-borate deposits in Jadar. Discovered in 2004, Jadar is a unique deposit near the town of Loznica, Serbia. Due to its high lithium and boron concentrations – and an assessed geological resource of more than 200 million tonnes—Jadar has been ranked as one of the largest lithium deposits in the world.

If developed, Jadar has the potential to supply more than 10% of global demand for lithium. The lightest metal on earth, lithium is used in a vast array of products, most notably, batteries for hybrid and electric cars. The deposit also contains borates, which are essential building blocks for heat resistant glass, fiberglass, ceramics, fertilizers, detergents, wood preservatives and many other household and commercial products. They are used in insulation that makes buildings energy-efficient, and to produce TV, computer and smartphone screens.²

Both copper and lithium deposits could position Serbia as a leading supplier of essential metals for the ongoing low-carbon transition. As a recent World Bank study³ finds, lithium is one of the metals whose global demand is rising rapidly as a key component of batteries for electric vehicles (EVs) and other technologies driving the global clean energy shift. Other base metals whose demand is expected to rise, especially for EVs, include copper for electrical wiring, and aluminum to reduce the weight of cars.

Figure 2: Projected Lithium Demand by Use, 2016-2025



Source: Goldman Sachs Investment Research Group

Exploration activities for the lithium-borate deposits have demonstrated Serbia’s capacity to attract foreign investment. Rio Tinto plc of the United Kingdom holds 100% interest in the Jadar lithium-borate

² Rio Tinto (2017) “Rio Tinto Jadar Project” www.riotinto.com/Jadar

³ World Bank (2017) “The Growing Role of Minerals and Metals for a Low Carbon Future.” Washington D.C.

project.⁴ Rio has spent over \$90 million on the project since its discovery in 2004, and will make a final investment decision in 2020. Significant investment is required to continue technical analysis and planning to move from prefeasibility to feasibility, then to construction and operation, from 2023⁵. Erin Ventures Inc. of Canada also holds a 100% interest in the Piskanja boron deposit.

Although there is a history of strong state presence in the production of key minerals, there is increasingly the participation of foreign mining companies. For many years, the largest mining operation in the country has been the state-owned enterprise (SOE) Rudarsko Topionicki Bazen Bor (RTB Bor) copper-gold mine, the dominant producer of copper, gold, and silver in the country, but in August 2018, Chinese mining company Zijin Mining took over 63% of shares of the company, in a \$1.26 billion deal with the Government of Serbia. In addition, there are private investors engaged in exploration activities for copper, gold, silver and lithium, among others. There are 35 companies with 130 exploration licenses and 220 exploitation sites. International companies with a presence include American Freeport McMoRan, Canadian Nevsun, Mundoro, Dundee Precious Metals, British-Australian Rio Tinto, and English Mineko limited among others.

Two mineral projects are in the final phase of the exploration - Jadar lithium near Loznica by Rio Tinto and new deposits of copper and gold at Cukaru Peki by Nevsun. Additionally, there is lead and zinc potential at Krupanj, Pirot and Bosilegrad.

Extraction varies from small scale quarries servicing aggregate and cement facilities to modern large scale operations for copper and coal.

Mining and quarrying accounted for 7.6% of FDI Inflows to Serbia during 2010- 2017 (Figure 3)⁶. However, there is potential to attract investments. Serbia ranked first out of 50 countries in the 2016 Greenfield Performance Index for greenfield inward investment.⁷ Greenfield foreign investors announced 77 projects in Serbia in 2016, up from 57 in 2015, but more than half (53%) of these projects were manufacturing based. With the recent discoveries of copper and lithium-borate deposits, attracting new investments into the mining sector, this sector has become a priority for the government.

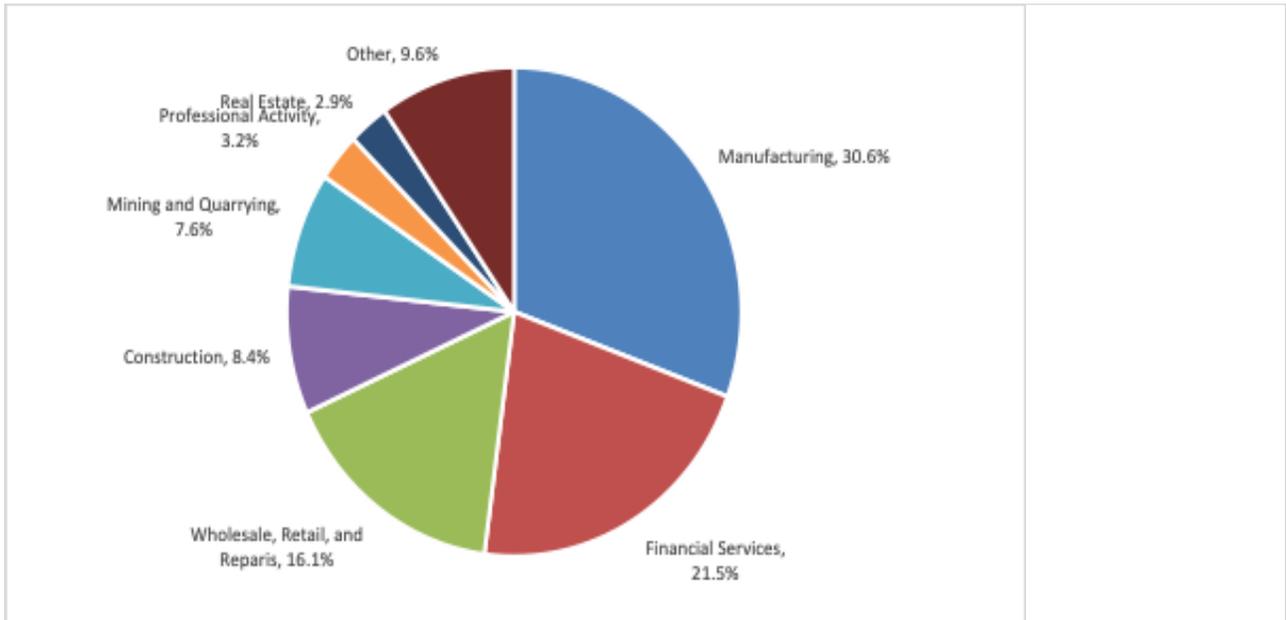
⁴ USGS (2014)

⁵ Rio Tinto (2017)

⁶Deloitte (2015) "Guide for Investing in Serbia: at your Glance"

⁷ The Greenfield FDI Performance Index is an annual study by the Financial Times' FDI Intelligence.

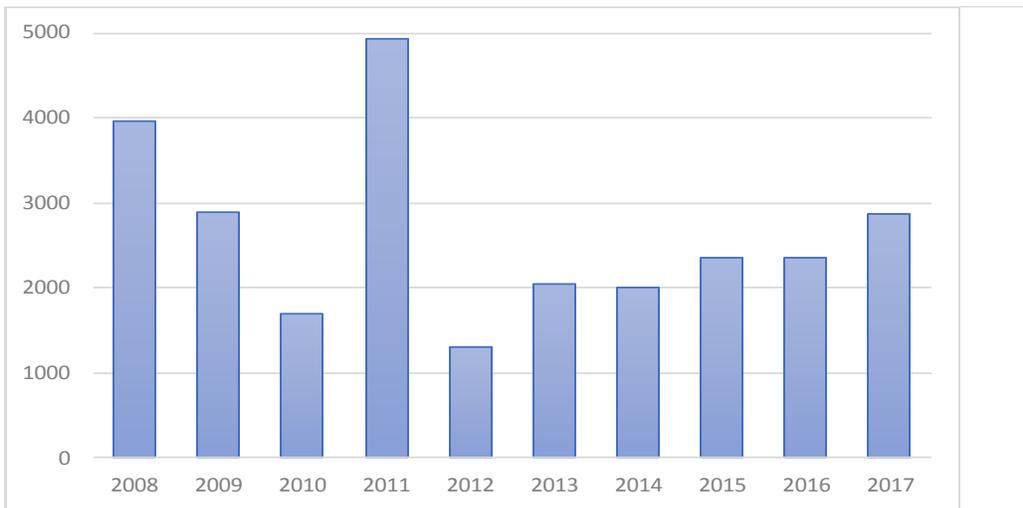
Figure 3: FDI Inflows into Serbia, 20010-2017



Source: Bank of Serbia

New mining sector investments can drive growth in FDI inflows which have been mostly stagnant within the last decade. As Figure 4 below shows, FDI inflows peaked in 2011, declined sharply in 2012, and have been increasing slowly through 2017, but remaining below US\$3 billion annually.⁸

Figure 4: Trends in FDI Inflows to Serbia in US\$ Millions, 2008-2017

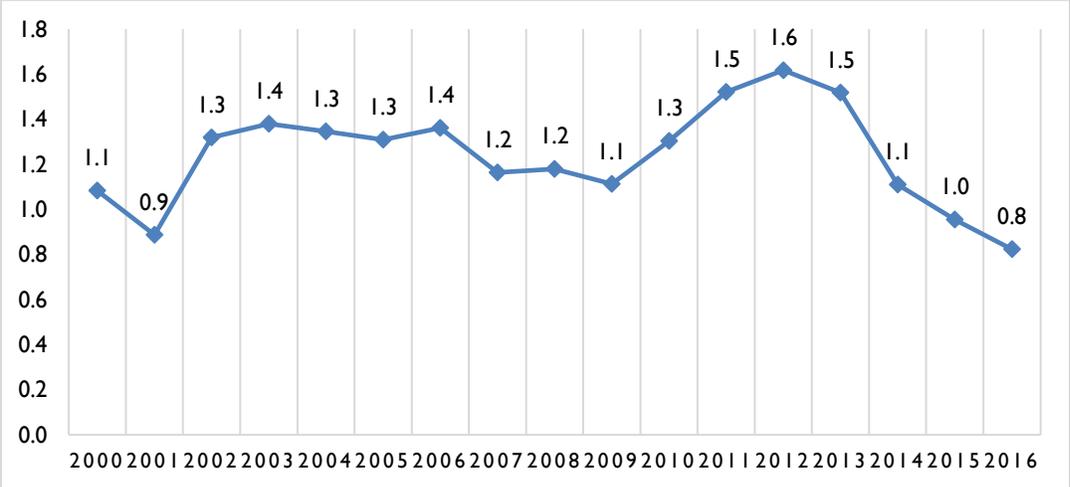


Source: UNCTAD FDI Statistics

⁸UNCTAD FDI Statistics.

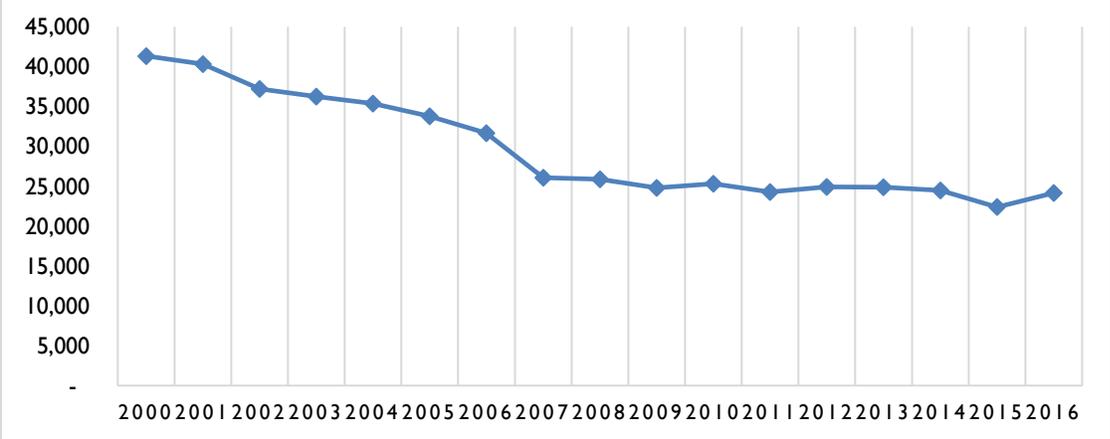
The mining sector’s contribution to Serbia’s GDP and employment is declining. In 2000, the mining sector accounted for 1.1% of GDP, and reached a peak of 1.6% in 2012. By 2016, the sector constituted just 0.8% of GDP. These developments are within a macroeconomic context of less than 2% average GDP growth for almost a decade, recessions in 2012 and 2014, persistent trade deficits, and a high rate of public debt, of up to 74% in 2016. The sector’s contribution to employment has also been on a declining trajectory. In the year 2000, 41,343 workers were employed, by 2016, there was a 41% decline to just 24,169 workers. Fluctuations in the labor force are driven principally by coal which is undergoing mechanization and automation and to a lesser degree the fall in copper production during the period leading up to RTB Bor’s privatization.⁹ New mineral projects in lithium-boron and copper could boost exports, GDP, government revenue and employment.

Figure 5: Mining Share of GDP (in Percent), 2000-2016



Source: Statistics Office of the Republic of Serbia

Figure 6: Total Employment in Mining, 2000-2016



Source: Statistics Office of the Republic of Serbia

⁹ The employment figures include employment in coal mining. The latter is not covered by the MSD which focuses on ferrous and non-ferrous metals.

2. Mining Sector Management

The Ministry of Mining and Energy is the government agency responsible for allocating exploration and mining rights and regulating the mining sector, through the Sector for Geology and Mining. Environmental management and monitoring is the mandate of the Ministry of Environmental Protection while the Ministry of Agriculture, Forestry and Water Management is also an important stakeholder for water management, land use and land access.

Geological information (Geodata) and regional geological expertise is held within the Geološki zavod Srbije / Geological Institute of Serbia (GIS).

The Ministry of Economy also has some jurisdiction in the sector. It oversees the corporate governance of the state-owned enterprise (SOE) RTB Bor which has for decades been the dominant producer of copper, gold, and silver in the country.

3. Legal Framework

The law governing mining in Serbia is the Law on Mining and Geological Explorations.¹⁰ The mining law is modelled on the widely accepted practices of Finland and Sweden and was an outcome of consultations from 2013 with stakeholders. The law classifies mineral resources and applies to non-renewable resources, including minerals and hydrocarbons, and renewables, including groundwater and geothermal resources. It provides the framework for the mineral policy and its implementation, establishes the Geological Institute of Serbia to carry out basic and other geological explorations, and deals with mining works and mining waste, rehabilitation and re-cultivation of abandoned mining sites, licences, documents for mining and geological work, inspection and regulation of geological and mining works and facilities; and health and safety aspects of these activities. Other important laws which apply to the sector include the Law on Public Enterprises¹¹ which defines the purpose and the roles of public enterprises, internal structure main reporting requirements to government bodies, and the Law on Corporate Income Tax.

Supporting the mining law are a series of regulations “rule books” specific to the sector. These include, Regulation on payments for usage of mineral and geothermal resources for 2016,¹² regulation on payments for geological research and lease of researched area for 2016¹³ and others. Older regulations drafted under previous mining laws are also relevant under the mineral regulatory regime. Proposed new regulations have been drafted in consultation with industry and Mining and Geology Faculty of Belgrade University, although are yet to be promulgated.

IV. Overview of Results—Dashboard and Implementation Gap

This section presents an overview of the results of the Serbia MSD. The data are aggregated into the dashboard (Figure 7) which gives an overview of performance in the mining sector along the extractive

¹⁰Official Gazette 101/2015, December 8, 2015.

¹¹Official Gazette 15/2016, February 25, 2016.

¹²Official Gazette 97/2015, November 28, 2015.

¹³Official Gazette 10/2016, February 8, 2016.

industry (EI) value chain as well as with respect to the sector management framework. The dashboard consists of the following two elements:

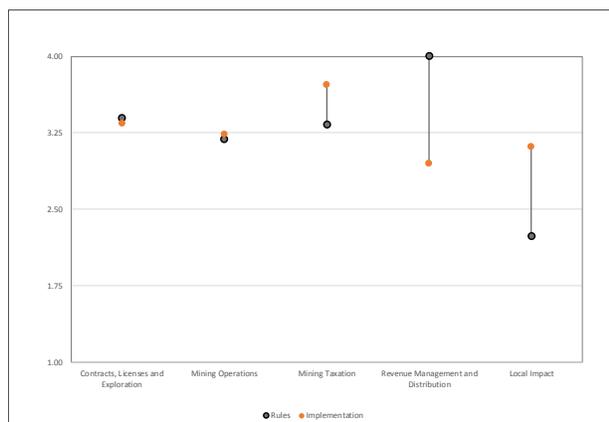
1. Sector Management Framework which evaluates Sector Policy, Sector Dialogue, Roles and Responsibilities, and Intra-Governmental Coordination.
2. Extractive Industries Value Chain which looks at performance along the five stages of the EI value chain. For each stage, performance is evaluated in terms of two dimensions:
 - a) Legislation, Policy and Regulation—which looks at the legal and regulatory framework (de jure performance); and
 - b) Institutional Capacity and Effectiveness—which focuses on how well the legal and regulatory framework is implemented, including the capacity of relevant agencies (de facto performance).

Serbia’s mining sector receives high or very high scores on all but two of the assessed elements—indicating a strong overall performance. The two areas with below-average scores are the sector dialogue in “Sector Management Framework” and the legal and regulatory framework governing “Local Content, Employment, Community Engagement, Sustainability and Social Issues” (EI value chain stage 5).

Figure 7: The Mining Sector Diagnostic Dashboard--Serbia

Mining Sector Diagnostic					
Mining Sector Management					
	Sector Policy	Sector Dialogue	Roles and Responsibilities	Intra-Governmental Coordination	
II. Extractive Industries Value Chain					
	Contracts, Licenses and Exploration	Mining Operations	Mining Taxation	Revenue Management and Distribution	Local Impact
Legislation, Policy, and Regulation	Rules for License Allocation, Oversight, and Transfer	Mining Legislation/Processes, Land/Compensation/Resettlement, Environmental and Social Impact Management, ASM, OHSA, Mine Closure--Rules	Tax Policy and Tax Administration Rules	Revenue Sharing and Fiscal Stabilization--Rules	Local Content, Employment, Community Engagement, CSR and Social Issues
Institutional Capacity and Effectiveness	Collection/Maintenance of Geological Information and Effective License Allocation and Management	Land/Compensation/Resettlement, Environmental and Social Impact, Support for ASM, OHSA, Mine Closure--Practice	Mining Tax Administration and Auditing	Revenue Sharing, Fiscal Stabilization and Resource Revenue Transparency--Practice	Local Supplier Development, Employment, Community Engagement, CSR and Social Issues-Practice
Scoring Key:	Very low (1.00 - 1.75)	Low (> 1.75 - 2.50)	High (> 2.50 - 3.25)	Very High (> 3.25 - 4.00)	

Figure 8: Policy Implementation Gap



The implementation gap (e.g., the difference between de jure and de facto performance) provides another high-level analysis of the Serbia data (see Figure 8). For the first two stages of the EI value chain (Contracts, Licenses and Exploration; and Mining Operations), the difference between rules (de jure) and implementation (de facto) performance is very small—indicating strong implementation of a strong legal and regulatory framework. On taxation, implementation scores higher than the legal framework indicating some room for improvement of the latter. The situation is reversed for revenue management and

distribution where implementation scores considerably lower than the legal framework—indicating room for capacity improvements. Another sizeable gap between rules and implementation is found at the local impact stage, where the low score on rules indicates the most significant room for improvement of the legal framework.

V. Assessment of Sector Management Framework

The inspection of the dashboard and the gap analysis provide a birds-eye view of the functioning and performance of the sector, but do not yet provide specific information on the strength and weaknesses identified through MSD. This and the following chapter take a more detailed look—including identifying potential areas in which there is room for improvement—starting with the sector management framework.

Figure 9: Sector Management Framework

Mining Sector Management (3.11)			
Sector Policy (2.62)	Sector Dialogue (2.40)	Roles and Responsibilities (3.44)	Intra-Governmental Coordination (4.00)

Overall the sector management framework for Serbia’s mining sector receives a high score—with some variation in the scoring of individual elements. Very high-scoring elements are “Roles and Responsibilities” and “Intra-Governmental Coordination”, while “Sector Policy” and “Sector Dialogue” score just above and below average, respectively. The scores for each element of the sector management framework are derived from a set of relevant questions.¹⁴ Annex II provides a full list of the underlying questions for each element as well as the scoring for each question. The remainder of this chapter and the following chapter

¹⁴ Each question is scored on a scale from 1 (lowest) to 4 (highest). The score for each element of the sector management framework is the unweighted average of the underlying question and the overall score for the sector management framework is the unweighted average of the scores for the four elements.

summarize the main findings. The report is based on the data collected and summarized in Annex II. The MSD questionnaire used to collect the data aims for a high degree of objectivity by asking respondents very specific and detailed questions. However, there are instances where the views of different stakeholder groups on various issues differ and this report does note these differences.

Sector Policy¹⁵

An integrated strategic framework for Serbia's mining sector is lacking. There is no mining sector strategy and the national development plan does not cover the mining sector. In addition, the existing investment promotion strategy also does not adequately cover the mining sector. There is neither an investment promotion unit within the Ministry of Mining and Energy nor a similar unit within the Development Agency of Serbia (RAS) for domestic and foreign investments. Instead the government has set up a working group sourcing expertise internally to review and develop a new investment promotion strategy and implementation plan.¹⁶

In principle, the 2015 mining law provides the framework for a minerals sector strategy, which is under preparation by the Ministry of Mining and Energy (entitled "the Mineral Resources Management Strategy in Serbia Until 2030"). The Ministry of Mining and Energy continues work on a sector strategy document and at time of writing is in the early stages of preparing the document.

Both government (4.0) and industry (3.0) report that they are satisfied with the mining sector development taking place in Serbia. Civil society, however, reports dissatisfaction (2.0).

Mining sector legislation is fully consistent with other relevant legislation and government (4.00) and industry (2.83) rate it as reasonably up-to-date and addressing all relevant issues, even though the industry's score suggests some room for alignment.

Sector Dialogue

The quality of the sector dialogue is assessed very differently across stakeholders. Government is highly satisfied (4.00) with the dialogue with both industry and civil society. However, both industry and civil society respondent indicate that they are dissatisfied with the dialogue with government and between each other—with average scores between 1.80 and 2.00.

There are several industry organizations, but they are either not representative of the entire industry or not very active. Industry representatives indicate that they are dissatisfied (2.40) with the way these organizations represent the views of the mining industry. There appears to be no formal platform for dialogue with mining companies collectively to understand their concerns, agree on ways to address them and enable key stakeholders to provide input into government policy in the sector. A key indicator in this regard is that the Annual Conference on Mining in Serbia used to be wholly led by individual private organizers with minimal input from government, as opposed to being a formal platform for government-business policy discussions in the sector. The draft agenda for the 9th International Conference on Mining

¹⁵ The numbers in the text refer to (average) question scores as reported in Annex III. They are included for easier reference.

¹⁶ Industry participants at the 9th International Mining Conference held in Belgrade in November 2019 were not aware of the activities of this working groups.

Resources features speakers and delegates from a broader range of stakeholders—including central as well as local government and industry. Civil society appeared to remain under-represented, though.¹⁷

The government is satisfied with the existing organizations specifically noting the Chamber of Commerce of the Republic of Serbia which deals with issues relating to business and economy, including the mining industry and the companies operating in this sector.

Roles and Responsibilities

Based on responses from government agencies, the roles and responsibilities in the mining sector are well defined and the involved agencies understand and accept their assigned roles. This assessment needs to be put in context, though. Very few projects have passed through the permitting phase in recent years and as a result, intra-governmental coordination regarding the permitting of new mining activities is largely untested.

The authority to issue exploration and mining licenses rests with the Ministry of Mining and Energy and both environmental monitoring and water use within separate Ministries.

Intra-governmental Coordination

Intra-governmental coordination regarding the mining sector is functioning very well. In practice, there are no disagreements between government ministries and agencies regarding their roles and responsibilities. Again, It has to be noted that this is a largely untested area since very few projects have passed through the permitting phase in recent years.

Mining-related information is shared among relevant agencies and is easily accessible. There are formal mechanisms for information sharing. However, timing of data sharing between ministries and agencies was raised as a concern for land access and compensation particularly in relation to mine site development or pit expansions.

Room for Improvement in “Sector Management Framework”

Regarding “Sector Management Framework” there is room for improvement as follows:

- Develop (through a consultative process) a mining sector strategy and make it publicly available.
- Going forward, include the mining sector in the national development plan.
- Develop and implement an investment promotion strategy for the mining sector with the Development Agency of Serbia (RAS).
- Encourage the formation of a new representative industry consultative body or encourage greater representation through any of the existing organizations.
- Consult with industry and civil society stakeholders on improving the mining sector dialogue with government.

¹⁷ <https://www.miningconference.rs/agenda>

VI. Performance Along the Extractive Industries Value Chain

This chapter takes a more detailed look at the performance of the mining sector at each stage of the value chain—including listing potential areas in which there is room for improvement.

1. Contracts, Licenses and Exploration

The dashboard presented earlier provides a very aggregate view. Each cell in the dashboard consists of one or more indicators and each indicator is scored based on a range of questions. Figure 10 below shows the scoring of the indicators related to the first value stage. The details behind each indicator (e.g., the underlying questions and their scoring) can be found in Annex II at the end of this report.¹⁸The areas for which there is room for improvement are summarized at the end of the sub-section.

The legal and regulatory framework scores slightly higher than the implementation, but as noted earlier the gap is very small. Four of the five indicators at this stage score “very high” and the remaining one scores at the upper end of the “high” category—indicating overall very strong performance regarding contracts, licenses, and exploration.

Figure 10: Contracts, Licenses and Exploration--Indicators

Indicators	
Legislation, Policy, and Regulation (3.39)	License Allocation Rules (3.41)
	License Management and Transfer Rules (3.38)
Institutional Capacity and Effectiveness (3.34)	Collection and Maintenance of Geological Information (3.40)
	Effective License Allocation (3.03)
	Effective License Management (3.58)

Legislation, Policy and Regulation (3.39)

License Allocation Rules (3.41)

Current allocation rules for exploration and mining licenses are generally consistent with good practice. The rules are detailed, easily accessible, and compatible with other legislation. They require that licenses be issued to applicants that meet all the requirements and prohibit the issuance to applications that do not meet all the requirements. License issuance is based on the “First Come, First Served” principle. Competitive bidding is not used in Serbia.

The legal requirements include timeframes for the issuance of licenses and require that a map component be used to record license boundaries in the cadaster. Applicants need to be informed if a license application is denied or a license is cancelled, and the denial/cancellation procedures are consistent with good practice.

¹⁸ Each question is scored on a scale from 1 (lowest) to 4 (highest). Indicator scores are unweighted averages of question scores and the scoring in the dashboard is an unweighted average of underlying indicator scores.

Exploration license holders are required to report exploration activities to MME and are held at the Ministry. This requirement does not specify the disaggregation of exploration expenditures.

License Management and Transfer Rules (3.38)

There are legally binding provisions for penalties and sanctions for non-compliance with exploration and mining license conditions. There is no legally binding requirement for exploration and mining licenses to be made publicly available, even though there are no legal barriers to such disclosure. License holders are required by law to provide the government with details of the beneficial ownership of the license.

A company that holds an exploration license has a legally binding automatic priority right to apply for a mining license—provided it does also meet the conditions for a mining license. Furthermore, exploration and mining license holders are permitted by law to transfer their licenses to an eligible party that meets the license provisions.

Institutional Capacity and Effectiveness (3.34)

Collection and Maintenance of Geological Information (3.40)

Exploration license holders are delivering the required information to the Geological Institute of Serbia which maintains it in a confidential manner as required until it is made available in a publicly accessible library. There is, however, no government website that presents which information is available. Government respondents indicate that the Geological Institute of Serbia uses the geological information to improve government and public awareness/understanding of geological prospectivity and to monitor compliance with license conditions. The Geoliss web portal provides public access to the documentation held by the Geological Institute of Serbia, and can be reviewed by filing a request with the Ministry.

Government respondents note that both the Geological Institute of Serbia and the mining cadaster suffer from inadequate staffing and budget. These concerns are broadly consistent with the satisfaction ratings provided by industry respondents regarding these two organizations. Industry respondents rate their satisfaction with these two organizations at the lower end of the “dissatisfied” range for the Geological Institute of Serbia (1.80) and around average (2.50) for the Mining Cadaster. Industry is, however, generally satisfied with the availability of geological maps for the most prospective areas (3.00). The Fraser survey of mining companies gives a high rating to the quality of Serbia’s database.

Government respondents note that most of licensed ground is being serviced by active exploration, that the mining cadaster is kept up-to-date and that the topographic map for the cadaster is compatible with GPS systems.

Effective License Allocation (3.03)

Industry respondents confirm that the information for license applications is publicly available and that the legal procedures for the award of exploration and mining licenses are followed in practice (3.50). While industry respondents do not report any preference for local companies in the allocation process, they have some concerns about the extent of discretionary power in the allocation process (2.80) and the breach of legislated timeframes for both license allocations (2.38) and the approval of exploration work programs (2.33). They have also been concerned about the incompatibility of timelines for license approvals with the timelines for other required permits (2.50).

Government respondents note that there are capacity constraints (staff and budget) for the unit issuing exploration and mining licenses (2.71) which is consistent with industry’s average satisfaction rating for

the work of the unit (2.50). According to government, however, there are no licenses that are subject to boundary disputes and license cancellations and denials never or rarely result in appeals.

Industry respondents perceive that corruption has a negative impact on mining sector activities, although they are not aware of the payment of bribes in the mining sector.

Effective License Management (3.58)

Government respondents note that they are effectively managing compliance with exploration and mining license conditions and that the unit in charge has the capacity to fulfill its mandate in a satisfactory manner. This is broadly consistent with industry's satisfaction rating for the work of the unit (3.00). Industry also gives an average satisfaction rating (2.50) to the authorities' practices regarding the extension of exploration and mining licenses.

Both industry and government respondents agree that in practice license holders can transfer their licenses to companies which meet the qualification criteria. Exploration and mining licenses are made publicly available.

Room for Improvement in "Contracts, Licenses, and Exploration"

Regarding "Contracts, Licenses, and Exploration" there is room for improvement as follows:

- Ensure that the prescribed timelines for license allocations, extensions, and the approval of work programs are followed in practice.
- Use existing license website infrastructure to include license applications and license details such as license obligations and work programs.
- Explore ways to improve and build capacity of MME's cadaster department, compliance department and Geological Institute of Serbia.

2. Mining Operations

Overall performance at the second stage of the EI value chain is weaker than at the first stage. Still, both de jure and de facto performance with respect to mining operations score at the upper end of the "high" range, however, there is substantial variation across the underlying indicators with scores ranging from the "low" to the "very high" range. Of the ten indicators only, the rules for "Mine Closure and Financial Sureties for Decommissioning" scored dissatisfied overall — indicating room for improvement. Implementation of these rules however, scored satisfied a theme emphasized during the workshops.

Figure 11: Mining Operations--Indicators

Indicators	
Legislation, Policy, and Regulation (3.21)	Mining Legislation and Processes (3.80)
	Land, Compensation and Resettlement Rules (3.00)
	Environmental and Social Impact Management (3.25)
	Occupational Health and Safety (3.70)
	Mine Closure and Financial Sureties for Decommissioning (2.31)
Institutional Capacity and Effectiveness (3.25)	Land, Compensation and Resettlement--Practice (4.00)
	Environmental Impact (3.21)
	Social Impact (3.03)
	Occupational Health and Safety (3.50)
	Mine Closure and Financial Sureties for Decommissioning (2.50)

Legislation, Policy and Regulation (3.21)

Mining Legislation and Processes (3.80)

Serbia receives a very high score on its mining legislation and processes. The legal framework is sound and the laws are easily accessible electronically. There is a legally binding process to appeal decisions by mining authorities which is independent of the mining authorities and has the legal standing to overturn decisions.

Land, Compensation and Resettlement Rules (3.00)

There are legally binding procedures for the resettlement of communities displaced by mining activities that follow internationally accepted principles. Similarly, there are legally binding procedures for the payment of compensation when exploration and/or mining activities interfere with land ownership or land use. However, the holder of a mineral right does not have a legally guaranteed access right to surface land. The exception being for strategic raw materials, where the Law on Mining and Geological Exploration provides the possibility to declare public interest and expropriate the land that will be used for mining.

Environmental and Social Impact Management (3.25)

There is a legally binding requirement that the clearance of the agency or ministry responsible for environmental protection be obtained before exploration or mining activities can commence. Environmental and Social Impact Assessments (ESIAs) and Environmental and Social Management and Monitoring Plans (ESMMPs) have to be prepared by companies for review and approval by the concerned government agencies and they are to be made public.¹⁹ There are legally binding requirements for (i) pollution prevention and management of air pollution, hazardous and non-hazardous wastes, chemicals and hazardous materials and pesticides, (ii) the protection of surface and ground water quality and the review and balancing of water allocations, and (iii) structures such as tailings dams and impoundments that hold mine wastes to be designed, operated and maintained according to internationally recognized standards. Legally binding requirements exist in the areas of biodiversity and natural habitat, but they lack requirements for regular updating and reporting. No legally binding requirement exists regarding the need to reflect anticipated trends in weather event severity and frequency related to climate change in mine design and operations. An Emergency Preparedness and Response Plan is required to be prepared

¹⁹ Combined ESIAs/ESMMPs are prepared in Serbia. The legal framework is provided in the "Law on Environmental Impact Assessment" published in the Official Journal of the Republic of Serbia No. 135/2004 and No. 36/2009.

prior to the commencement of mining operations and it needs to be made public (MME and the Sector for Emergency Management implements procedures regarding the annual emergency risk assessments).

There is a legally binding provision establishing a grievance and complaints mechanism for environmental and social mitigation issues that is consistent with good practice. The authority with whom a grievance or complaint can be filed has been established and has put in place procedures for hearings as well as corrective procedures.

Occupational Health and Safety (3.70)

There are legally binding Occupational Health and safety (OHS) standards and procedures in the “Occupational Health and Safety Law” (Official Journal of the Republic of Serbia, No. 101/2005, No. 91/2015 and No. 113/2017) that include related education and training and a grievance mechanism for non-compliance with OHS standards and procedures, with penalties in case of non-compliance.

Mine Closure and Financial Sureties for Decommissioning (2.31)

A sound legal framework for mine closure activities is in place, but it lacks some elements and does not cover financial sureties. There are legally binding regulations covering mine closure and reclamation activities. There is a requirement for a Mine Closure and Reclamation Plan (MCRP) to be prepared and it is consistent with good practice. While the requirement outlines what the MCRP must cover regarding environmental protection, remediation and reclamation, it does not outline required coverage regarding managing and mitigation potentially harmful social impacts and there is no legally binding requirement for mining companies to include progressive rehabilitation in the plan. The MCRP has to be prepared in consultation with affected communities and it has to be made public.

There are no legally binding requirements for the posting of environmental bonds or similar financial assurance methods to cover the cost of environmental rehabilitation and reclamation post-mining. For cultivation areas affected by large scale mining operations, the mining license holder is required to provide MME with a security instrument (bill, bank guarantee or corporate guarantee) against potential loss to cultivation productivity.

Institutional Capacity and Effectiveness (3.25)

Land, Compensation and Resettlement—Practice (4.00)

Civil society respondents confirm that the legal requirements to resettle communities affected by mining activities and for the payment of compensation when exploration and/or mining activities interfere with land ownership or land use are implemented in practice.

Environmental Impact (3.21)

Exploration and mining activities do not commence without obtaining a permit from the agency or ministry responsible for environmental protection. Government representatives are broadly satisfied with the capacity of the institution tasked with monitoring and enforcing environmental laws and regulations and this view is shared by industry representatives (3.33), but less so by civil society representatives (2.00).

Based on government answers, ESIA's and EMMPs are approved by the Ministry of Environmental Protection, before a mining right is granted and the documents are updated and approved on a regular basis; and public available. Monitoring and enforcement is taken place and the documents are made publicly available. Civil society representatives, however, note that they are very dissatisfied (1.00) with the public availability of these documents.

Government representatives confirm that in practice surface and ground water quality are being protected and water allocations reviewed and balanced. Government is also satisfied with the mining companies' design, operation and maintenance of structures such as tailings dams and impoundments that hold mine wastes which is in line with industry responses on this issue (3.50). The majority of industry representatives report that in practice (i) biodiversity is being identified, managed and protected, (ii) natural habitat is being identified, managed, and protected, and (iii) mine design and operations reflect anticipated trends in weather event severity and frequency related to climate change, but some industry representatives disagree.

Answers from industry representatives vary as to whether they have in place an Emergency Preparedness and Response Plan (EPRP) (2.35). According to government these plans are made public in practice and are widely available.

Social Impact (3.03)

Government officials note that the institutions tasked with monitoring and enforcing social mitigation measures and requirements have capacity issues—lacking both adequate staffing and budget (2.71). This is broadly consistent with the satisfaction ratings for these institutions provided by industry (2.75) and civil society representatives (2.00).

Government representatives confirm that SIAs and SMMPs are approved by the regulatory authority before a mining right is granted and that the documents are updated and approved on a regular basis with specified timeframes. They also confirm that monitoring and enforcement is taking place — even though there is no separate accounting for the harmful impacts on women — and that the documents are made public in practice and are widely available. Civil society, however, is less satisfied (2.00) with the public availability of SIAs and SMMPs, but acknowledges that the grievance and complaints mechanism for environmental and social mitigation issues is working well in practice.

Occupational Health and Safety (3.50)

Most industry respondents confirm that the OHS standard and procedures including any related education and training requirements are enforced in practice (3.00). Government confirms that it tracks the number of injuries and fatalities related to mining activities.

Mine Closure and Financial Sureties for Decommissioning (2.50)

Mine Closure and Reclamation Plans (MCRPs) are prepared and approved prior to the commencement of production—with a final MCRP prepared, approved, and audited by an independent expert prior to the commencement of mine close activities. MCRPs are made public in practice and are widely available.

According to industry representatives there is very little—if any—consultation with communities and local government during the preparation of MCRPs. This is consistent with civil society representatives' dissatisfaction on this issue. According to government representatives, however, local government is satisfied with the consultation done by industry on MCRPs. Civil society also expresses dissatisfaction about the public availability of MCRPs.

Industry representatives are very dissatisfied (1.00) and civil society representatives are dissatisfied (2.00) with the way the institutions tasked with monitoring and enforcing the environmental and social obligations associated with mine closure are carrying out their tasks. Industry representatives confirm that no progressive rehabilitation takes place.

Government officials confirm that adequate procedures are in place regarding the funds being set aside for mine closure, industry representatives vary in their responses as to whether adequate funds are being set aside for mine closure (1.75).

The government is working to inventory abandoned mine sites, but a plan on moving forward with abandoned mines has not been approved yet.

Room for Improvement in “Mining Operations”

Regarding “Mining Operations” there is room for improvement as follows:

- Regarding environmental protection, strengthen requirements for the identification, management and protection of biodiversity and natural habitat to include regular updating and reporting.
- Requirement the inclusion or progressive rehabilitation in mining plans.
- Consult with stakeholders on the framework for a financial assurance mechanism covering mine closure.
- Expand the requirements for the coverage of the MCRP to include managing and mitigating potentially harmful social impacts of mine closure.
- Encourage compliance with the legal requirement that mining companies consult with affected communities and local government during the preparation of the MCRP.

3. Taxation

Performance in the third EI value chain stage is very strong; with all but one of the indicators in this area score in the “very high” range. There appears to be some room for improvement of the framework for mining taxation.

Figure 12: Mining Taxation--Indicators

Indicators	
Legislation, Policy, and Regulation (3.31)	Tax Policy and Instruments (2.99)
	Mining Tax Administration Rules (3.63)
Institutional Capacity and Effectiveness (3.74)	Mining Tax Administration (3.48)
	Mining Tax Auditing (4.00)

Legislation, Policy and Regulation (3.31)

Tax Policy and Instruments (2.99)

Serbia’s tax policy framework has many strong elements. It clearly prescribes which government agencies, in this case, the Ministry of Mining and Energy, have the authority to collect taxes and other mining-sector related payments and these payments are required to be placed in the national treasury. The law prescribes the rates, formulae and bases for the main fiscal instruments and the government cannot

negotiate fiscal provisions with mining companies that differ from those provided in the law. There are legally binding provisions that (i) require an annual disclosure of related party transactions and (ii) limit the risk from thin capitalization. Lastly, there are no tariffs on imports of capital equipment and no tariffs or other barriers on raw material exports.

While there are legally binding provisions for the granting of tax incentives to mining companies, a cost-benefit analysis is not required before granting these incentives. There are no legally binding provisions that ensure that the government has an adequate minimum revenue stream in all production periods. Fiscal instruments include a royalty element and corporate income tax, but no variable rates targeted at rents. There are legally binding provisions regarding transfer pricing, but they do not provide for the use of advanced pricing agreements.

There are no legally binding provisions that identify profits from the indirect or offshore transfer of exploration and mining assets. Government officials are of the view that the actual benefits from government's equity holding in resource companies does not exceed the cost of holding such equity. Companies are required to pay VAT or sales tax on imports of capital equipment.

The mining industry is broadly satisfied (2.80) with the stability over time of fiscal terms. However, an ongoing revision of the tax code in Serbia could introduce a new dimension to the mining tax regime. It proposes to move royalties from the mining code to the new tax and fees law,²⁰ to be placed under the jurisdiction of either the Ministry of Finance, or Ministry of the Economy. Industry has expressed concerns that could introduce discretion by the government in tampering with royalty rates depending on the fiscal situation at any point in time.

Mining Tax Administration Rules (3.63)

The legal framework for mining tax administration is generally very strong. The legal framework clearly specifies which agencies collect mining sector payments and the number of involved agencies is small. These include local offices of Serbian Tax Administration or, where relevant, its Office for Large Taxpayers. Detailed payment processes for tax and royalty payments are clearly laid out. The legal framework provides for penalties and sanctions for non-compliance with tax legislation. Independent agencies exercise oversight of the administration of the fiscal regime and government officials with an oversight role are required to disclose information on their financial interest in any extractive activity or project. National mining companies, such as RTB Bor, are limited to a commercial role and subject to fiscal regulations in the same way as other commercial companies.

Legally binding provisions requiring regular tax, cost and physical audits of mining operations are missing.

Institutional Capacity and Effectiveness (3.74)

Mining Tax Administration (3.48)

Government officials confirm that (i) taxes and other mining-sector related payments are only collected by the mandated agencies, (ii) payments are placed in the national treasury, (iii) the fiscal terms including provisions for tax incentives in the law, are followed in practice, (iv) government does not negotiate fiscal terms and incentives with mining companies that differ from those in the mining and fiscal laws, and (v)

²⁰ The Law on Fees for Use of Public Goods was adopted by the National Assembly in December 2018.

government officials with a role in the oversight of the mining sector disclose information about their financial interest in any extractive activity of project.

Government officials are of the view that the existing large taxpayer unit has the capacity to satisfy its mandate in a satisfactory manner—noting only the lack of a sufficient number of staff, industry respondents indicate a low level of satisfaction (2.67) with the way the unit is fulfilling its mandate.

Government responses indicate the existence of disputes between taxpayers and the tax authorities regarding the bases on which taxes and levies, but that these disputes are resolved through active tax tribunals.

The majority of industry respondents indicate that policies and procedures related to mining taxation are publicly available, easily accessed and understandable to the taxpayer (3.40) but have some more concerns about the availability of guidance notes that meet the needs of mining sector taxpayers (2.67).

While the majority of industry respondents confirm that changes to mining tax legislation are undertaken through a consultative process, there is considerable variation as to the satisfaction with this process (2.50).

Mining Tax Auditing (4.00)

Government respondents are of the view that the legal framework for tax administration is implemented efficiently. Specifically, they assert that (i) tax, cost and physical audits of mining companies are conducted systematically, (ii) the legally binding provisions regarding transfer pricing are being implemented, (iii) regular audits of mining companies are being conducted for compliance with thin capitalization rules, and (iv) the legally binding provisions on penalties and sanctions for non-compliance with tax legislation are being implemented.

Room for Improvement in “Taxation”

Regarding “Taxation” there is room for improvement as follows:

- Consider building capacity in the large company taxation department on transfer pricing, mining company auditing and mineral valuations
- Work with industry on developing better guidance notes for mining sector taxpayers.
- Investigate the cause for the substantial number of disputes between taxpayers and tax authorities regarding the bases on which taxes are levied.
- Look at ways of improving the work of the large taxpayer unit considering industry’s relatively low satisfaction with the work of this unit.

4. Revenue Distribution and Management

Serbia’s performs very well at this stage of the value chain. Most indicators scores in the very high range with the exception of a high score for the de facto indicator regarding fiscal stabilization and a low score on resource revenue transparency. This reflects mainly the fact that Serbia does not participate in the Extractive Industries Transparency Initiative and does not use another form of disclosing resource revenue flows.

Figure 13: Revenue Management and Distribution--Indicators

Indicators	
Legislation, Policy, and Regulation (4.00)	Revenue Sharing Rules (4.00)
	Fiscal Stabilization Rules (4.00)
Institutional Capacity and Effectiveness (2.94)	Revenue Sharing Arrangements (3.33)
	Fiscal Stabilization (3.00)
	Resource Revenue Transparency (2.50)

Legislation, Policy, and Regulation (4.00)

Revenue Sharing Rules (4.00)

There are legally binding provisions regarding arrangements for resource revenue sharing (Article 160 of the Mining Code) and the Ministry of Finance has written guidelines regarding when and how yearly budget allocations to sub-national governments should be disbursed.

Fiscal Stabilization Rules (4.00)

There is a legally binding provision that requires a medium-term fiscal framework (Law on Budget Systems, Article 27).

Institutional Capacity and Effectiveness (3.44)

Revenue Sharing Arrangements (3.33)

According to Government sources, the arrangements for revenue sharing between central and sub-national governments are being followed in practice and the Ministry of Finance follows its guidelines regarding budget allocations. Serbia did receive a relatively low PEFA score in the area of inter-governmental transfers in its most recent PEFA assessment, mainly due to delays in the information provided about these transfers.

Fiscal Stabilization (3.00)

According to the IMF WEO estimates, there is limited variation of domestic revenues in real terms over 5 years, indicating a relatively high level of fiscal stabilization.

Resource Revenue Transparency (2.50)

The Ministry of Mining and Energy publishes an annual bulletin on its website containing resource revenues data for royalties. All government spending from resource revenues is appropriated through the national budget.

According to civil society, there is no strong culture of reporting resource revenues. It is civil societies opinion that at the local government level, financial flows and budgets are even less transparently operated.

Room for Improvement in “Revenue Distribution and Management”

Regarding “Revenue Distribution and Management”, there is room for improvement as follows:

- Determine whether the low 2015 PEFA score on inter-governmental transfers is still relevant and consider adjustments in the process, if warranted.
- Consider publishing fiscal revenue contributions from the mining sector and government expenditure

5. Local Impact

Overall performance on this value chain stage is average, but it is the lowest along the EI value chain. The lowest scoring indicators are local content rules, SUSTAINABILITY and social impact management, and rules on community engagement. However, these low scores should be considered within the context that Serbia has not had a new mine open in over two decades. This was before the global discourse on local content and local impact of mining activities picked up steam.

Figure 14: Local Impact--Indicators

Indicators	
Legislation, Policy, and Regulation (2.24)	Local Content Rules (1.00)
	Employment Policies (4.00)
	Rules on Community Engagement (2.95)
	CSR and Social Issues--Rules (1.00)
Institutional Capacity and Effectiveness (3.11)	Local Supplier Development (3.33)
	Employment (3.41)
	Community Engagement (N/A)
	CSR and Social Issues (2.60)

Legislation, Policy, and Regulation (2.24)

Local Content Rules (1.00)

There is no formal policy on promoting local content and no site-specific agreements with mining companies that promote local content. No assessments are being undertaken to tracking the demand and supply of goods and services by the mining industry and Social Impact Assessments (SIAs) and Social Impact Monitoring and Management Plans (SMMPs) are not required to support local content goals.

Employment Policies (4.00)

Mining companies are required by law to provide on the job-training and child labor is prohibited. The government is committed to provide women with equal employment opportunities and conditions and there are legally binding rules that require employment equity. An agency has been designated to enforce the rules and the agency has put in place monitoring procedures and enforcement mechanisms.

Rules on Community Engagement (2.95)

There are legally binding provisions for community stakeholder consultations with affected communities, but there are no specific requirements that they take place throughout the life of the mine and that women participate in the consultations. It is required that community stakeholder consultations are taken into account in preparing and updating EIA, EMMPs, SIAs, and SMMPs. There is, however, no legally binding requirement for Community Development Agreements between mining companies, government and affected communities.

CSR and Social Issues (1.00)

There is a serious lack of policies in this area. There is (i) no national policy on Corporate Social Responsibility that applies to mining, (ii) no legally binding requirement for free, prior and informed consent, and (iii) no legally binding requirement for local governments and companies to work together to manage the effects of the potentially rapid and disruptive in-migration around mining operations. Companies are not required by law to collect data on, report on, and address the impacts of mining on women separately from the impacts on men.

Institutional Capacity and Effectiveness (3.11)

Local Supplier Development (3.33)

The majority of industry respondents report sourcing more than 25% of goods and services from local suppliers. They also indicate that they are generally satisfied with the support provided for domestic suppliers in attaining local content goals (3.17).

Employment (3.41)

Industry respondents report providing on-the-job training for employees as well as equal employment opportunities and conditions for women. Several of the mining companies currently in exploration recruited their project managers and other technical staff from the Faculty of Mining and Geology, University of Belgrade. There appears to be a good link between industry and local educational institutions providing a pipeline for geologists, engineers and other technical staff. In some of these companies, the managers for flagship projects are female geologists. Civil society respondents, however, are dissatisfied with the government's actions to provide women with equal employment opportunities and conditions.

Community Engagement (N/A)

Civil society respondents did not answer any questions related to this indicator. However, some of the mining companies currently in exploration phase in places like Bor and Loznica appear to have strong community engagement strategies. Both Rakita Exploration and Rio Sava have information centers in their respective locations where information about the proposed projects is publicly available. According to company representatives, they also hold regular meetings with municipal authorities, donate funds for community activities and participate in local festivities. Civil society respondents did not answer any questions related to this indicator.

CSR and Social Issues (2.60)

Very few answers were provided to the questions that constitute this indicator. The only exception are industry respondents who indicate that they are moderately satisfied (2.60) with the planning and implementation of CSR activities.

Room for Improvement in “Local Impact”

Regarding “Local Impact” there is room for improvement as follows:

- Amend the legal requirements for community stakeholder consultations to ensure that they are held throughout the life of the mine and that women participate.
- Consider reviewing requirements for Community Development Agreements between mining companies, government, and affected communities.
- Review existing practices of providing support for domestic suppliers to the mining industry and consider improvements, and if required develop a local content policy.
- Develop a national policy on Corporate Social Responsibility through a consultative process.
- Put in place a legally binding requirement for free, prior, and informed consent.

VII. Stakeholder Priorities

The analysis in Sections V and VI regarding the evaluation of the sector management framework and the performance along the EI value chain has treated every topic (e.g., each cell of the dashboard) and each indicator equally. Importantly, each issue that was identified as not working well or not achieving its intended purpose was identified as providing “room for improvement”. In doing so, the analysis misses an important aspect—some issues are simply more important than others. They either have a larger impact (positive or negative) on the functioning of the mining sector or they are perceived as indispensable areas which require reforms. The analysis of stakeholder priorities in this section is a first step towards identifying which issues should be considered more important than others—as seen through the eyes of the three main stakeholder groups in the sector—government, industry, and civil society.

During the interview phase of the MSD, all respondents were asked to identify their top priorities for the sector. Specifically, respondents were provided with the Votes Template reproduced in Annex III. Each respondent then picked those topics (indicated by blue lines in the template—each representing one of the 14 cells in the MSD dashboard) they deemed most important. For each topic, respondents allocated 100 votes to the indicators that constitute that topics which allowed them focus on specific aspects of sector performance that require special attention. Priority areas were defined as areas where reforms would be most likely to significantly improve the functioning of the sector with the aim of increasing the mining sector’s contribution to overall sustainable growth and development. Note that by definition a priority area is an indicator from the MSD framework.

Stakeholder votes were then normalized to 100 per respondent thereby giving equal weight to each respondent. After that, responses were aggregated for each stakeholder group. The table below shows the top 8 priorities for each group (Figure 15). The table also lists the scores for each priority topic. Some of the priorities picked by the three stakeholder groups score low in the MSD analysis—indicating areas for policy interventions. However, there are also many high and perfect-scoring topics among the top priorities.

Only two of the elements of the Sector Management Framework—Sector Dialogue and Intra-Governmental Coordination appear in the lists of priorities. Priority areas are also not equally distributed across the EI value chain—priorities are more likely to be found in stages 3 (“Taxation”, 9 mentions) and 2 (“Mining Operations”, 6 mentions) of the EI value chain. Some indicators from stages 1 (“Contracts, Licenses, and Exploration”) and 5 (“Local Impact”) appear on the lists, but no indicator from stage 4

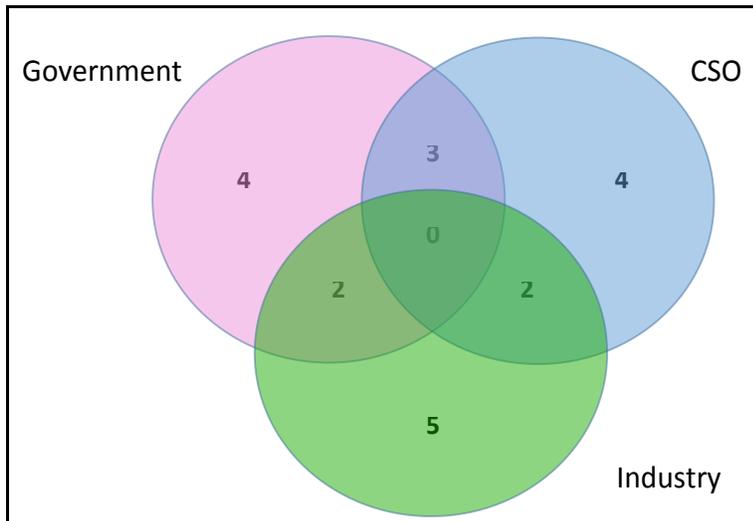
(“Revenue Distribution and Management”). Priority topics along the EI value chain are equally split between indicators that measure de jure performance (“Legislation, Policy, and Regulation”) and de facto performance (“Institutional Capacity and Effectiveness”).

There is no strong convergence in any of the stakeholder groups on top priorities. For each group, the top eight priorities only gathered 40-50 percent of total votes—indicating significant disagreement even within each group on what constitutes a high priority.

The Venn diagram (Figure 16) provides information on shared priorities by illustrating where the top priorities listed in the table above overlap among stakeholder groups. There is no topic that appears in the list of top eight priorities for all three stakeholder groups. But a total of seven areas are shared priorities for two of the three groups:

- Government and industry representatives jointly agree on “Intra-Governmental Coordination” and “Mining Tax Auditing” as priority areas.
- Government and civil society representatives jointly agree on “Environmental and Social Impact Management”, “Mining Tax Administration Rules”, and “Resource Revenue Transparency” as priority areas.

Figure 15: Shared Stakeholder Priorities



- Industry and civil society representatives jointly agree on “Sector Dialogue” and “Tax and Policy Instruments” as priority areas.

Of these overlapping priority areas, the three with the lowest scores in the MSD framework are “Sector Dialogue” (2.40), “Resource Revenue Transparency” (2.50), and “Tax Policy and Instruments” (2.99). The scores for all other priority areas depicted in the Venn diagram are either in or very close to the “very high” scoring range.

Figure 16: Stakeholder Priorities

Topic	Votes (%)	Votes (% Cumulative)	Score
Government			
Mining Tax Administration Rules	7%	7%	3.63
Mining Tax Auditing	6%	13%	4.00
Resource Revenue Transparency	6%	19%	2.50
License Management and Transfer Rules	6%	25%	3.38
Intra-Governmental Coordination	4%	29%	4.00
License Allocation Rules	4%	32%	3.41
Environmental and Social Impact Management	3%	36%	3.25
CSR and Social Issues--Rules	3%	39%	1.00
Industry			
Collection and Maintenance of Geological Information	8%	8%	3.40
Fiscal Stabilization Rules	6%	14%	4.00
Intra-Governmental Coordination	6%	20%	4.00
Tax Policy and Instruments	5%	25%	2.99
Sector Dialogue	5%	30%	2.40
Land, Compensation and Resettlement Rules	5%	35%	3.00
Land, Compensation and Resettlement--Practice	5%	39%	4.00
Fiscal Stabilization	5%	44%	3.00
Civil Society			
Resource Revenue Transparency	10%	10%	2.50
Tax Policy and Instruments	7%	17%	2.99
Mining Tax Administration Rules	7%	24%	3.63
Sector Dialogue	6%	30%	2.40
Environmental and Social Impact Management	6%	36%	3.25
Environmental Impact	5%	41%	3.21
Social Impact	5%	46%	3.03
Community Engagement	5%	51%	N/A

VIII. Conclusions and Recommendations

This chapter concludes the report by noting the strengths that exist at present - where the rules are in line with modern good practice and are implemented efficiently through capable institutions. It then outlines potential areas and actions for improvement which could then be organized into a reform agenda.

These action points identify potentially important key improvements in both the rules and in institutional performance.

1. Summary of Main Strengths

Serbia's institutional arrangements for the mining sector are strong. There are clear responsibilities for the main actors and coordination and information sharing among different institutions and agencies is working well.

The legal framework for the mining sector is generally strong, in particular with respect to licensing, taxation and revenue management.

2. Outline of a Reform Agenda

As detailed in Sections IV and V there are areas where there is room for improvement in the sector management framework and along the EI value chain. A strong reform agenda should prioritize those identify items. There are several reasons for prioritizing certain issues over others. Potential impact is an important consideration—reforms that are thought to have a significant impact should probably be higher up on the agenda. Second, some areas have been identified as priorities for reform by sector stakeholders (see Section VI). Those areas which are identified as strong priorities by certain stakeholder groups and/or constitute shared priorities are also good candidates for early reform efforts. Third, there are some issues which are easier to fix than others and/or that are more likely to result in quick wins. Again, these are good reasons to prioritize these items.

Identifying a reform agenda still requires a substantial amount of judgement and country-specific circumstances will need to be considered. A careful weighing of all these considerations leads to the following suggested reform agenda:

Sector Management Framework

There are two key actions that would improve the functioning of Serbia's sector management framework. First, a mining sector policy should be developed through a consultative process with all stakeholders. This should be seen as a consensus-building exercise that results in commitment by all actors to a stronger mining sector. The policy should be widely publicized, be integrated with the overall national development plan and a separate investment strategy for the mining sector should be developed on this basis. A sector policy is a requirement under the mining law and as such Ministry of Mining and Energy has started this to draft the required sector policy.

Secondly, measures should be taken to improve the mining sector dialogue. The establishment of a of a new representative industry consultative body or greater representation through any of the existing organizations would be helpful. The sector dialogue should also include civil society representatives and community groups. Regarding the latter, there is a need to proactively map civil society stakeholders.

Legal and Regulatory Framework

Legal and regulatory requirements are lacking in several key areas and priority should be given to close these gaps:

- Prepare, consult and finalize for promulgation mining regulations, particularly the rule books for modern large scale mine developments
- Review financial assurance mechanisms covering mine closure.

Institutional Capacity and Effectiveness

Several government agencies appear to have capacity constraints in terms of staffing and budget. Government should ensure that all relevant agencies (GIS, Mining cadaster, unit monitoring licenses and unit monitoring environmental/social impacts) are adequately staffed and have sufficient budget to fulfill their mandate. This would likely improve weaknesses in implementation.

Additional points to pursue include:

- Consider ways to improve administrative systems within MME to facilitate decision making by Ministry officials on mineral rights and other licensing requirements
- Resolve geodata ownership and purchasing issues
- Using working groups for assessing mining application under the new regime and working cross government to build confidence in the application process for mining licenses and associated permits and consents.
- Building capacity in the large company taxation department on transfer pricing, mining company auditing and mineral valuations

Sector Transparency and Accountability

Key steps that could be taken to improve the transparency in the resource sector are:

- Disclosure of resource revenue and encourage the use of publicly available revenue statistics.
- Public availability of licenses conditions and obligations.
- Continue to improve availability of and access to Environmental and Social Impact Assessments, Environmental and Social Management and Mitigation Plans, Mine Closure and Reclamation Plans, and other relevant documents.

Improvement in the accountability could be obtained by:

- Regulating the legal requirement that mining companies consult with affected communities and local government during the preparation of the MCRP.
- Amend the legal requirements for community stakeholder consultations to ensure that they are held throughout the life of the mine.
- Develop of national policy on Corporate Social Responsibility.

Annex I: MSD Methodology—Brief Description

MSD is a data-driven diagnostic of the mining sector. Data are collected with the help of a questionnaire which consists of 280 questions. Questions draw on two different data sources - namely:

- Primary data regarding the country’s laws, regulations and procedures – these are questions regarding the de jure “rules”. These data are generated through a desk review of relevant documents.
- Interview data from in-country interviews with representatives from government, civil Society and industry – these are questions regarding the de facto “implementation” performance

The answer to each question is scored on a scale from 1 (lowest) to 4 (highest). More specifically,

- Primary questions typically deal with the existence of legally binding requirements. In some cases, primary questions are simple Yes/No questions which are scored as 4 or 1, depending on the answers. In many other cases, the primary questions do explore whether the legally binding requirement is consistent with good practice. This is done through a series of sub-questions. The overall score then averages the sub-question scores.
- Interview questions have specific answer choices. Either four, three, or 2 answer choices are given. An example of four choices are (very satisfied/satisfied/unsatisfied/very unsatisfied) with respective scoring from 1 to 4. An example of three answer choices would be (Fully/Partially/Not at all) with scoring of 4/2.5/1. An example of two answer choices would be (Yes/No) with scoring of 4 or 1. Interview questions can consist of 2 or more sub-questions, in which case the overall score would be an average of sub-question scores.

The interview responses obtained from civil society and industry are averaged into one civil society and one industry response, respectively. Interviewees also have an opportunity to provide comments to support or clarify their views. Questions are aggregated into indicators, indicators are grouped into “topics” which represent the cells of the dashboard (Indicators are shown in Figures 4-8 of the report and are clearly identified through headings in Annex II). Aggregation at each step involves simple averaging. The resulting scores are broken into four groups:

- “very low” (score of 1 – 1.75)
- “low” (score of >1.75-2.5)
- “high” (score of >2.5-3.25)
- “very high” (score of >3.25-4)

The figures in the report translate these scores into color coding as follows:

Scoring Key:	Very low (1.00 - 1.75)	Low (> 1.75 - 2.50)	High (> 2.50 - 3.25)	Very High (> 3.25 - 4.00)
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Annex II: Question Scores

Number	Question	Data Source	Score
A	Mining Sector Management		
A1	Sector Policy		
1	Is there an approved mining sector strategy that is publicly available?	Primary	1.00
2	Is there a current multi-year national development plan that has a section on the mining sector and that is publicly available?	Primary	1.00
3	How satisfied is government with the mining sector development taking place in this country?	Interview Government	4.00
4	How satisfied is the mining industry with the mining sector development taking place in this country?	Interview Industry	3.00
5	How satisfied is civil society with the mining development taking place in this country?	Interview Civil Society	2.00
6	Is mining legislation in accordance with the mining sector strategy?	Interview Government	...
7	Is mining sector legislation consistent with other relevant legislation?	Interview Government	4.00
8	How satisfied is the mining industry with the country's mining legislation (e.g., is it reasonably up-to-date and addresses all relevant issues)?	Interview Industry	2.83
9	How satisfied is the government with the country's mining legislation (e.g., is it reasonably up-to-date and addresses all relevant issues)?	Interview Government	4.00
10	Is there an investment promotion strategy that adequately covers the mining sector?	Interview Government	1.75
A2	Sector Dialogue		
11	Is there a Chamber of Mines(or similar organization) that represents the mining industry?	Primary	1.00
12	How satisfied is the mining industry with the way the Chamber of Mines (or similar organization) represents the views of the mining industry?	Interview Industry	2.40
13	How satisfied is the government with the dialogue between the government and the mining industry on mining sector issues?	Interview Government	4.00
14	How satisfied is the government with the dialogue between the government and civil society on mining sector issues?	Interview Government	4.00
15	How satisfied is the mining industry with the dialogue between the government and the mining industry on mining sector issues?	Interview Industry	1.80
16	How satisfied is the mining industry with the dialogue between civil society and the mining industry on mining sector issues?	Interview Industry	2.00
17	How satisfied is civil society with the dialogue between the government and civil society on mining sector issues?	Interview Civil Society	2.00
18	How satisfied is civil society with the dialogue between the mining industry and civil society on mining sector issues?	Interview Civil Society	2.00
19	Did an informed and meaningful national consultation take place during the preparation of the mining sector strategy?	Interview Government	...
20	Did an informed and meaningful national consultation take place during the preparation of the national development plan?	Interview Government	...

A3	Roles and Responsibilities		
21	Is there a stand-alone Ministry of Mines with clearly defined responsibilities for the mining sector? If not, and mining sector issues are covered by a unit/section in a different Ministry, is this unit/section sufficiently empowered to deal with mining sector issues?	Interview Government	4.00
22	Does mining or other legislation assign clear authorities and non-overlapping responsibilities between government ministries/agencies in the mining sector?	Interview Government	4.00
23	Is there a clear understanding and acceptance of the various roles and responsibilities amongst the agencies involved in the management of the mining sector?	Interview Government	4.00
24	Is there a dedicated unit within the mining authority dealing with artisanal and small-scale mining (ASM)?	Primary	...
25	Is there a legally binding provision for the establishment and operation of a mining cadastre that specifies its authority and responsibilities?	Primary	4.00
26	Is there a legally binding provision that identifies the authority that issues exploration and mining licenses and is this authority separate from the mining ministry?	Primary	2.50
27	Is there a legally binding provision that provides for the use of mining-related standard contracts and/or development agreements, does the law define the signatory and is the signatory the same as the license issuer?	Primary	1.00
28	Are there provisions that identify which institution or institutions are responsible for approving EIAs and EMMPs as well as monitoring and enforcing compliance with legal requirements related to managing environmental impact?	Primary	4.00
29	Are there provisions that identify which institution or institutions are responsible for approving SIAs and SMMPs as well as monitoring and enforcing compliance with legal requirements related to managing social impact?	Primary	4.00
A4	Intra-Governmental Coordination		
30	In practice, are there disagreements between government ministries/agencies over the roles and responsibilities regarding the mining sector?	Interview Government	4.00
31	Has the government set up formal mechanisms to share resources and information between institutions in the form of committees, task forces or working groups that bring together "mining sector practitioners"?	Interview Government	4.00
32	Are there formal mechanisms for sharing information between government ministries/agencies working on the mining sector?	Interview Government	4.00
33	How satisfied are you with the effectiveness of the formal mechanisms for sharing resources and information?	Interview Government	4.00
34	Has a central information storage system and database been set up that effectively supports the maintenance, verification, and sharing of data for the mining sector?	Interview Government	4.00
35	How satisfied are you with the central information storage system and database?	Interview Government	4.00
1	Contracts, Licenses and Exploration		
B1	Rules for License Allocation, Oversight, and Transfer		
B1.1	License Allocation Rules		
36	Are there legally binding procedures for granting exploration and mining licenses and , if so, are they consistent with good practice?	Primary	3.50
37	Are the procedures used in granting exploration and mining licenses consistent with good practice?	Primary	4.00
38	If competitive bidding is used, are standardized bidding documents and contracts used for granting exploration licenses and, if so, do the evaluation criteria emphasize work commitments?	Primary	...

39	If competitive bidding is used, are standardized bidding documents used for granting mining rights licenses and, if so, do the evaluation criteria for granting mining licenses emphasize investment commitment and premium payments?	Primary	...
40	Are there legally binding procedures for registering or granting licenses to artisanal and small-scale mining operators and, if so, can the registration/license be obtained from field offices, not just the mining authority head office?	Primary	...
41	Are there legally binding provisions regarding the timeframes for the issuance of exploration and mining licenses and the approval of exploration work programs?	Primary	4.00
42	Is there a legally binding requirement or guideline that requires that a map component be used to record license boundaries in the cadastre?	Primary	4.00
43	Are there legally binding provisions that an applicant be informed if a license application is denied or a license is cancelled and, if so, are they consistent with good practice?	Primary	4.00
44	Are there legally binding provisions that require exploration license holders to report exploration activities and results to the Geological Survey Department or the mining authority and, if so, are they consistent with good practice?	Primary	3.40
45	Are there legally binding procedures for granting licenses to mineral traders and are they required for trading minerals, gemstones, etc. produced by mining license holders as well as artisanal and small-scale mining operators?	Primary	1.00
B1.2	License Management and Transfer Rules		
46	Are there legally binding provisions for penalties and sanctions for non-compliance with exploration and mining license conditions?	Primary	3.25
47	Are there legally binding requirements that exploration and mining licenses, contracts and agreements be made publicly available?	Primary	1.00
48	Are there legally binding provisions, such as state secrecy laws, that contain barriers to the disclosure of mining sector information?	Primary	4.00
49	Are there legally binding provisions that require license holders to provide the government with details of the beneficial ownership of the license?	Primary	4.00
50	Does a company that holds an exploration license and is in compliance with exploration license conditions have a legally binding automatic priority right to apply for a mining license in that area—provided it does also meet the conditions and has provided all necessary information required for a mining license?	Primary	4.00
51	Are there legally binding provisions that permit exploration and mining license holders to transfer their licenses to an eligible party that meets the license provisions?	Primary	4.00
C1.1	Collection and Maintenance of Geological Information		
C1.1	Collection and Maintenance of Geological Information		
52	In practice, are exploration license holders delivering the required operational information to the Geological Survey Department (GSD) or mining authority on a regular basis?	Interview Government	4.00
53	In practice, does the GSD or similar organization maintain geological information from companies in a confidential manner until such time as it can be made publicly available?	Interview Government	4.00
54	In practice, does the GSD or similar organization collect geological information in a publicly accessible library?	Interview Government	4.00
55	Is there a government website that presents what national geological information is available or, if not at the national, at the sub-national level?	Primary	1.00
56	Is there a library with current national or sub-national geological information maintained by the Geological Survey Department (GSD) or a similar organization?	Primary	4.00
57	In practice, does the GSD or similar organization make use of the geological data collected from companies to improve government and public awareness/understanding of geological prospectivity?	Interview Government	4.00

58	In practice, does the GSD or similar organization make use of the geological data collected from companies to monitor compliance with licenses?	Interview Government	4.00
59	In practice, does the GSD or similar organization have the capacity to fulfill its mandate in a satisfactory manner?	Interview Government	2.71
60	How satisfied is the mining industry with the way in which the Geological Survey Department (GSD) or similar organization is fulfilling its mandate?	Interview Industry	1.80
61	Quality of geological database (Fraser Institute)	Secondary	4.00
62	What percentage of the licensed ground is being serviced by active exploration?	Interview Government	4.00
63	How satisfied is the mining industry with the availability of geological maps for the most prospective areas?	Interview Industry	3.00
64	In practice, does the Mining Cadastre have the capacity to fulfill its mandate in a satisfactory manner?	Interview Government	2.71
65	How satisfied is the mining industry with the way in which the Mining Cadastre is fulfilling its mandate?	Interview Industry	2.60
66	In practice, is the topographic map for the cadastre compatible with GPS systems?	Interview Government	4.00
67	What percentage of the mining cadastre is up-to-date?	Interview Government	4.00
68	In practice, if there is a decentralized cadastre system in place, is the central office able to obtain updated information on a timely basis?	Interview Government	4.00
C1.2	Effective License Allocation		
69	In practice, is the information required for license applications publicly available?	Interview Industry	3.75
70	Are the procedures in the legal framework for the award of exploration and mining licenses followed in practice?	Interview Industry	3.50
71	Are the limits to discretionary power in the award of exploration and mining licenses followed in practice?	Interview Industry	2.80
72	In practice, is there a preference for local companies or producers in the award process of exploration and mining licenses?	Interview Industry	4.00
73	In practice, are exploration and/or mining licenses awarded to applicants which do not have the technical and financial capacity to fulfill license requirements and any associated work program?	Interview Industry	2.50
74	In practice, are the legislated timeframes for exploration and mining license awards and extensions followed?	Interview Industry	2.38
75	Are the timeframes for the approval of exploration work programs followed in practice?	Interview Industry	2.33
76	Are the timelines for deciding on exploration and/or mining license applications compatible with the timelines of other required permits?	Interview Industry	2.50
77	In practice, when licenses are denied or cancelled, are the procedures followed?	Interview Government	4.00
78	In practice, does the unit issuing exploration and mining licenses have the capacity to fulfill its mandate in a satisfactory manner?	Interview Government	2.71
79	How satisfied is the mining industry with the way in which the unit issuing exploration and mining licenses is fulfilling its mandate?	Interview Industry	2.50
80	What percentage of licenses are subject to boundary disputes between license holders due to the ambiguity of boundaries?	Interview Government	4.00
81	Are mining contracts and agreements signed and approved by the authority or authorities defined in the law?	Interview Government	4.00

82	In practice, how often do license cancellations or denials result in appeals?	Interview Government	4.00
83	If mining-related standard contracts and/or development agreements are used, are they used to modify provisions in the law?	Interview Government	...
84	In practice, does the agency or ministry responsible for awarding licenses for exploration and mining operate independently from the mining ministry (without undue influence from the mining ministry)?	Interview Industry	1.60
85	Do you perceive corruption as having a negative impact on mining-sector activities--in particular the licensing process?	Interview Industry	1.00
86	Is your company aware of the payment of bribes in the mining sector?	Interview Industry	4.00
C1.3	Effective License Management		
87	Is the government effectively managing compliance with exploration and mining license conditions?	Interview Government	4.00
88	In practice, does the unit managing the monitoring of licenses have the capacity to fulfill its mandate in a satisfactory manner?	Interview Government	3.57
89	How satisfied is the mining industry with the way in which the unit managing the monitoring of licenses is fulfilling its mandate?	Interview Industry	3.00
90	How satisfied is the mining industry with the authorities' practices regarding the extension of exploration and mining licenses?	Interview Industry	2.50
91	In practice, are license holders able to transfer their licenses to companies which meet the qualification criteria?	Interview Government	4.00
92	In practice, does a company that holds an exploration license for a certain areas and is in compliance with exploration license conditions have an automatic first priority to obtain a mining license in that area—provided it does also meet the conditions and has provided all necessary information required for a mining license?	Interview Industry	4.00
93	In practice, are exploration and mining licenses, contracts and agreements made publicly available?	Interview Government	4.00
94	If the answer to the preceding question is "No", are key details of exploration and mining license readily accessible?	Interview Government	...
2	Mining Operations		
B2	Mining Legislation/Processes, Land/Compensation/Resettlement, Environmental and Social Impact Management, ASM, OHS, Mine Closure--Rules		
B2.1	Mining Legislation and Processes		
95	Are there legally binding regulations which cover exploration and mining activities?	Primary	4.00
96	Are the laws and regulations governing exploration and mining operations readily available from a dedicated government source?	Primary	3.00
97	Is there a legally binding process to appeal decisions by mining authorities and, if so, is the authority that receives the appeal independent of the mining authorities?	Primary	4.00
98	If it exists, does the legally binding appeals process to appeal decisions by mining authorities have the legal standing to overturn these decisions?	Interview Government	4.00
99	Are timeframes for the approval of mine development plans and the approval of extensions of mining operations set out in the regulations?	Primary	4.00
B2.2	Land, Compensation and Resettlement Rules		
100	Does the holder of a mineral right have legally guaranteed access rights to surface land?	Primary	1.00
101	Is there a legally binding established procedure for the resettlement of communities displaced by mining activities and, if so, does it follow internationally accepted principles such as the Equator Principles or the IFC Performance Standards?	Primary	4.00

102	Is there a legally binding procedure for the payment of compensation when exploration and/or mining activities interfere with land ownership or land use?	Primary	4.00
103	If mining is taking place in areas where armed conflict is taking place, are there legally binding requirements for a diagnostic review for appropriate actions regarding existing mineral rights in such areas?	Primary	...
B2.3	Environmental and Social Impact Management		
104	Is there a legally binding requirement that the clearance of the agency or ministry responsible for environmental protection be obtained before exploration or mining activities can commence and is the agency or ministry separate from the mining authorities or in a separate line of authority from the mining licensing agency?	Primary	4.00
105	Is there a legally binding requirement for companies to prepare and submit EIAs, EMMPs (or combined ESIA and ESMPs) and related reports including implementation and monitoring reports for review and approval by the concerned government agencies?	Primary	4.00
106	Is there a legally binding requirement for EIAs and EMMPs (or combined ESIA and ESMPs) and related implementation and monitoring reports to address mining's environmental impacts on women separately from the impacts on men?	Primary	1.00
107	Is there a legally binding requirement for EIAs and EMMPs (or other key environmental impact related documents such as monitoring reports) to be made public and is the requirement consistent with good practice?	Primary	3.40
108	Are there legally binding requirements for pollution prevention and management of air pollution, hazardous and non-hazardous wastes, chemicals and hazardous materials and pesticides?	Primary	4.00
109	Are there legally binding requirements for the protection of surface and ground water quality and the review and balancing of water allocations and are they consistent with good practice?	Primary	3.40
110	Is there a legally binding requirement for structures such as tailings dams and impoundments that hold mine wastes to be designed, operated and maintained according to internationally recognized standards that is consistent with good practice?	Primary	4.00
111	Is there a legally binding requirement for mining operations to identify, manage and protect biodiversity on a regular basis?	Primary	2.20
112	Is there a legally binding requirement for mining operations to identify, manage and protect natural habitat on a regular basis?	Primary	2.20
113	Is there a legally binding requirement that mine design and operations reflect anticipated trends in weather event severity and frequency related to climate change on a regular basis?	Primary	1.00
114	Is there a legally binding requirement for mining operations to have an Emergency Preparedness and Response Program (EPRP) prior to commencement of mining operations that is consistent with good practice?	Primary	4.00
115	Is there a legally binding requirement for Emergency Preparedness Plans are required to be made public and is the requirement consistent with good practice?	Primary	3.40
116	Is there a legal provision for a simplified Environmental Permit for artisanal and small-scale mining (ASM)?	Primary	...
117	Is there a legally binding requirement for companies to prepare and submit SIAs and SMMPs (and related reports including Implementation and Monitoring reports) for review and approval by the concerned government agencies and is the requirement consistent with good practice?	Primary	4.00
118	Is there a legally binding requirement for SIAs and SMMPs (or other key social impact related documents such as monitoring reports) to be made public and is the requirement consistent with good practice?	Primary	3.40

119	Is there a legally binding provision establishing a grievance and complaints mechanism for environmental and social mitigation issues and is the complaints mechanism consistent with good practice?	Primary	4.00
120	Is there an authority with whom a grievance or complaint can be filed and has the authority put in place procedures for hearing as well as corrective procedures?	Primary	4.00
B2.4	Occupational Health and Safety		
121	Are there legally binding Occupational Health and Safety (OHS) standards and procedures, and, if so, do they include related education and training requirements and are they in line with internationally used standards?	Primary	4.00
122	Is there a grievance mechanism for workers for non-compliance with Occupational Health and Safety (OHS) standards and procedures, and, if so, does it include penalties in case of non-compliance?	Primary	3.40
B2.5	Mine Closure and Financial Sureties for Decommissioning		
123	Are there legally binding regulations which cover mine closure and reclamation activities?	Primary	4.00
124	Is there a legally binding requirement for a Mine Closure and Reclamation Plan (MCRP) to be prepared and is it consistent with good practice?	Primary	4.00
125	Are there legally binding provisions that outline what the MCRP must cover regarding environmental protection, remediation and reclamation?	Primary	4.00
126	Are there legally binding provisions that outline what the MCRP must cover regarding managing and mitigating potentially harmful social impacts?	Primary	1.00
127	Is there a legally binding requirement for the MCRP to be prepared in consultation with the affected communities and local government and is it consistent with good practice?	Primary	4.00
128	Is there a legally binding requirement for Mine Closure and Remediation Plans to be made public and is the requirement consistent with good practice?	Primary	3.40
129	Is there a legally binding requirement for mining companies to include progressive rehabilitation in the mining plan?	Primary	1.00
130	Is there a legally binding requirement for the posting of environmental bonds or similar financial assurance methods to cover the cost of environmental rehabilitation and reclamation post-mining?	Primary	1.00
131	Are there legally binding provisions regarding the financial assurance mechanism which require that financial securities be issued and held only by government or approved, qualified financial institutions?	Primary	1.00
132	Are there legally binding provisions regarding the financial assurance mechanism for mine closure which clearly stipulate the conditions under which the company or the government can access the funds?	Primary	1.00
133	Are there legally binding provisions regarding the financial assurance mechanism for mine closure which ensure that the funds can only be used for mine closure and environmental rehabilitation and reclamation costs?	Primary	1.00
C2.1	Land, Compensation and Resettlement--Practice		
C2.1	Land, Compensation and Resettlement--Practice		
134	In practice, does the government enforce the legal requirements to resettle communities affected by mining activities?	Interview Civil Society	4.00
135	In practice, does the government enforce the legally binding payments of compensation when exploration and/or mining activities interfere with land ownership or land use?	Interview Civil Society	4.00
136	If mining is taking place in areas where armed conflict is taking place, does the government take appropriate actions in practice regarding existing mineral rights in such areas?	Interview Government	...

137	If mining is taking place in areas where armed conflict is taking place, how satisfied is the mining industry with the actions taken by government regarding existing mineral rights in such areas?	Interview Industry	...
C2.2 Environmental Impact			
138	In practice, do exploration or mining activities commence without obtaining a permit from the agency or ministry responsible for environmental protection?	Interview Government	4.00
139	Is the institution tasked with monitoring and enforcing environmental laws and regulations carrying out its task in a satisfactory manner regarding the mining sector from exploration to post-mine closure?	Interview Government	3.33
140	How satisfied is civil society with the way the institution tasked with monitoring and enforcing environmental law is carrying out its task?	Interview Civil Society	2.00
141	How satisfied is the mining industry with the way the institution tasked with monitoring and enforcing environmental law is carrying out its task?	Interview Industry	3.33
142	In practice are EIAs and EMMPs (or other key environmental impact related documents) approved by the mining authority before a mining right is granted and are the documents updated and approved on a regular basis with specified timeframes?	Interview Government	4.00
143	In practice is the implementation of EMMPs and other environmental impact management and mitigation requirements and compliance with legal requirements monitored and enforced systematically?	Interview Government	4.00
144	Are Environmental Impact Assessments (EIAs) and Environmental Management and Mitigation Plans (EMMPs) (or other key environmental impact related documents such as monitoring reports) made public in practice and are they widely available?	Interview Government	4.00
145	How satisfied is civil society with the public availability of EIAs and EMMPs?	Interview Civil Society	1.00
146	In practice is surface and ground water quality being protected and water allocations reviewed and balanced?	Interview Government	4.00
147	In practice are structures such as tailings dams and impoundments that hold mine wastes designed, operated and maintained according to internationally recognized standards?	Interview Industry	3.50
148	In practice is biodiversity being identified, managed and protected?	Interview Industry	2.80
149	How satisfied is the government with the mining companies' design, operation and maintenance of structures such as tailings dams and impoundments that hold mine wastes?	Interview Government	3.00
150	In practice is natural habitat being identified, managed and protected?	Interview Industry	3.00
151	In practice do mine design and operations reflect anticipated trends in weather event severity and frequency related to climate change?	Interview Industry	3.50
152	In practice do mining companies have an Emergency Preparedness and Response Plan (EPRP) that is approved by Government, is reviewed, tested, and updated on a regular basis with reporting to the Government and is prepared and updated in close collaboration with the local community?	Interview Industry	2.35
153	Are Emergency Preparedness Plans made public in practice and are they widely available?	Interview Government	3.57
154	How satisfied is civil society with the public availability of Emergency Preparedness Plans?	Interview Civil Society	...
155	In practice is the government monitoring and enforcing compliance with environmental requirements for artisanal and small-scale miners?	Interview Government	...

C2.3	Social Impact		
156	Are the institutions tasked with monitoring and enforcing social mitigation measures and requirements carrying out their tasks in a satisfactory manner regarding the mining sector from exploration to post-mine closure?	Interview Government	2.71
157	How satisfied is civil society with the way the institutions tasked with monitoring and enforcing social mitigation measures and requirements are carrying out their tasks?	Interview Civil Society	2.00
158	How satisfied is the mining industry with the way the institutions tasked with monitoring and enforcing social mitigation measures and requirements are carrying out their tasks?	Interview Industry	2.75
159	In practice are SIAs and SMMPs (or other key social impact related documents) approved by the mining authority before a mining right is granted and are the documents updated and approved on a regular basis with specified timeframes?	Interview Government	4.00
160	In practice is the implementation of SMMPs and other social impact management and mitigation requirements and compliance with legal requirements monitored and enforced systematically?	Interview Government	2.80
161	Are Social Impact Assessments (SIAs) and Social Management and Mitigation Plans (SMMPs) (or other key social impact related documents such as monitoring reports) made public in practice and are they widely available?	Interview Government	4.00
162	How satisfied is civil society with the public availability of SIAs and SMMPs?	Interview Civil Society	2.00
163	Is the grievance and complaints mechanism for environmental and social mitigation issues working well in practice?	Interview Civil Society	4.00
C2.4	Occupational Health and Safety		
164	In practice, is the implementation of Occupational Health and Safety (OHSA) standards and procedures including any related education and training requirements enforced?	Interview Industry	3.00
165	Is the grievance and complaints mechanism for occupational health and safety working well in practice?	Interview Government	...
166	In practice, does the government track the number of injuries and fatalities related to mining activities?	Interview Government	4.00
C2.5	Mine Closure and Financial Sureties for Decommissioning		
167	In practice is an initial Mine Closure and Reclamation Plan (MCRP) prepared and approved prior to the commencement of production?	Interview Government	4.00
168	In practice is a final MCRP prepared and approved prior to the commencement of mine closure activities and is it audited by independent experts?	Interview Government	4.00
169	In practice do mining companies consult communities and local government when developing and updating the Mine Closure and Reclamation Plan (MCRP)?	Interview Industry	1.30
170	How satisfied is civil society with the way mining companies consult with communities when developing and updating the Mine Closure and Reclamation Plan (MCRP)?	Interview Civil Society	1.00
171	How satisfied is local government with the way mining companies consult with communities when developing and updating the MCRP?	Interview Government	3.00
172	Are Mine Closure and Remediation Plans made public in practice and are they widely available?	Interview Government	4.00
173	How satisfied is civil society with the public availability of MCRPs?	Interview Civil Society	2.00
174	How satisfied is the mining industry with the way the institutions tasked with monitoring and enforcing the environmental and social obligations associated with mine closure are carrying out their tasks?	Interview Industry	1.00
175	How satisfied is civil society with the way the institutions tasked with monitoring and enforcing the environmental and social obligations associated with mine closure are carrying out their tasks?	Interview Civil Society	2.00

176	In practice does progressive rehabilitation take place to reduce the scope and cost of work needed for mine closure and reclamation once production ceases?	Interview Industry	1.00
177	In practice are mining companies setting aside funds for mine closure consistent with the estimates in the MCRP and are the funds sufficient to cover the costs of premature closure as well as the cost of closure by third party contractors in the event this becomes necessary?	Interview Industry	1.75
178	Are adequate procedures in place regarding the funds being set aside for mine closure?	Interview Government	4.00
179	Are mining companies satisfied with the procedures in place regarding the funds being set aside for mine closure?	Interview Industry	2.50
180	In practice is government working to inventory abandoned mine sites, and determine the most effective way forward?	Interview Government	3.50
181	In practice, is the approved plan for moving forward with abandoned mine sites being implemented?	Interview Government	...
3	Mining Taxation		
B3	Tax Policy and Tax Administration Rules		
B3.1	Tax Policy and Instruments		
182	Are there legally binding provisions that prescribe which government agencies have the authority to collect taxes, royalties, and other payments (if applicable) from mining companies?	Primary	4.00
183	Are income and withholding tax payments and royalties from mining companies to government required by law to be placed in the national treasury or other designated accounts?	Primary	4.00
184	Are the rates, formulae and bases for the main fiscal instruments (such as income taxes, withholding taxes, indirect taxes and royalties) that apply to mining prescribed by law?	Primary	4.00
185	Are there legally binding provisions for the granting of tax incentives to mining companies and, if so, do they require that a cost-benefit analysis be conducted before granting the tax incentives?	Primary	2.50
186	Can the government negotiate fiscal provisions with mining companies that differ from those provided in the law and, if so, are these fiscal provisions being made public?	Primary	4.00
187	Are there legally binding provisions that ensure that the government has an adequate minimum revenue stream (relative to sales revenue) in all production periods?	Primary	1.00
188	Does the country employ an adequate mix of progressive and regressive fiscal instruments with respect to revenues from mining?	Primary	3.25
189	Are there legally binding provisions that require an annual disclosure of related party transactions?	Primary	4.00
190	Are there legally binding provisions regarding transfer pricing and, if so, are they consistent with good practice?	Primary	3.25
191	Are there legally binding provisions that limit the risk from thin capitalization and, if so, do they include interest rate caps and debt to equity caps?	Primary	4.00
192	Are there legally binding provisions that identify profits from the indirect or offshore transfer of exploration and mining assets/rights so that they are taxable in the host country?	Primary	1.00
193	In cases where the government holds equity shares in resource companies, are the actual benefits from equity holding greater than the costs for acquiring equity?	Interview Government	1.00
194	How satisfied is the mining industry with the stability over time of the fiscal terms for mining?	Interview Industry	2.80
195	Are there no or low tariffs on imports of capital equipment?	Primary	4.00
196	Do companies have to pay VAT or sales tax on imports of capital equipment?	Primary	1.00
197	Are there no or low tariffs (or non-tariff barriers) on raw material exports?	Primary	4.00

B3.2	Mining Tax Administration Rules		
198	Are there legally binding provisions that specify which agency/agencies collect mining sector payments and is the number of agencies involved relatively small?	Primary	4.00
199	Are there legally binding provisions for mining sector tax payment processes and, if so, do they cover detailed arrangements?	Primary	4.00
200	Are there legally binding provisions for mining sector royalty payment processes and, if so, do they cover detailed arrangements?	Primary	4.00
201	Does the government have a simplified tax collection system for ASM?	Primary	...
202	Are there legally binding provisions that require regular tax, cost and physical audits to be conducted of mining operations and, if so, do the provisions apply to all mining taxpayers (excluding ASM) and are the audits risk-based?	Primary	1.00
203	Are there legally binding provisions for penalties and sanctions for companies for non-compliance with tax legislation?	Primary	4.00
204	Are there legal provisions for independent agencies to exercise oversight of the administration of the fiscal regime?	Primary	4.00
205	Are there legally binding provisions that require government officials with a role in the oversight of the mining sector to disclose information about their financial interests in any extractive activity or project (NB: These could be general, e.g. not mining-specific provisions)?	Primary	4.00
206	If they exist, are national mining companies limited to a commercial role and subject to fiscal regulation in the same way as other commercial companies?	Primary	4.00
C3	Mining Tax Administration and Auditing		
C3.1	Mining Tax Administration		
207	Does the tax administration have a large taxpayer unit/office or one specialized in natural resources/mining?	Primary	4.00
208	In practice, are policy and procedures related to mining taxation publicly available, easily accessed, and understandable by the taxpayer?	Interview Industry	3.40
209	In practice, are changes to mining tax legislation undertaken through a consultative process and, if so, how satisfied is the mining industry with the process?	Interview Industry	3.00
210	In practice, does the taxation authority issue guidance notes which meet the needs of mining sector taxpayers and, if so, how satisfied is the mining industry with these guidance notes?	Interview Industry	2.67
211	In practice, are the bases on which taxes are levied subject to disputes between taxpayers and the tax authorities and if there are such disputes are they resolved through active tax tribunals?	Interview Government	2.50
212	In practice, does the large taxpayer unit/office or the one specialized in natural resources/mining have the capacity to fulfill its mandate in a satisfactory manner?	Interview Government	3.57
213	In practice, how satisfied is the mining industry with the way in which the large taxpayer unit/office or the one specialized in natural resources/mining is fulfilling its mandate?	Interview Industry	2.67
214	In practice, are taxes and payments by mining sector tax payers only collected by the mandated agency/agencies?	Interview Government	4.00
215	In practice, are income and withholding tax payments and royalties from mining companies to government placed in the national treasury?	Interview Government	4.00
216	In practice, are the fiscal terms, including provisions for tax incentives in the law followed?	Interview Government	4.00
217	In practice, does the government negotiate fiscal terms and fiscal incentives with mining companies that differ from those in the mining and fiscal laws and regulations and, if so, does the government have well experienced and qualified representative to negotiate fiscal terms and fiscal incentives with mining companies and are the negotiated terms publicly available?	Interview Government	4.00

218	In practice, do government officials with a role in the oversight of the mining sector disclose information about their financial interest in any extractive activity or project?	Interview Government	4.00
C3.2	Mining Tax Auditing		
219	In practice, are tax, cost and physical audits of mining companies conducted systematically?	Interview Government	4.00
220	In practice, are the legally binding provisions regarding transfer pricing being implemented?	Interview Government	4.00
221	In practice, are there regular audits for domestic and international related party transfer pricing transactions?	Interview Government	...
222	In practice, are advanced pricing rules used for regularly occurring domestic and international related party transactions?	Interview Government	...
223	In practice, are there regular audits of mining companies for compliance with thin capitalization rules?	Interview Government	4.00
224	In practice, are the legally binding provisions on penalties and sanctions for non-compliance with tax legislation being implemented?	Interview Government	4.00
4	Revenue Management and Distribution		
B4	Revenue Sharing and Fiscal Stabilization--Rules		
B4.1	Revenue Sharing Rules		
225	Are there legally binding provisions regarding arrangements for resource revenue sharing between central and sub-national governments that clearly articulate the objectives of resource revenue sharing and do they specify how much should be transferred to sub-national governments?	Primary	4.00
226	Does the Ministry of Finance have written guidelines regarding when and how yearly budget allocations to sub-national governments should be disbursed?	Primary	4.00
B4.2	Fiscal Stabilization Rules		
227	Are there legally binding provisions that require a medium-term fiscal framework?	Primary	4.00
228	Are there legally binding provisions for a mechanism to protect budget expenditures from revenue volatility?	Primary	...
C4	Revenue Sharing, Fiscal Stabilization and Resource Revenue Transparency--Practice		
C4.1	Revenue Sharing Arrangements		
229	Transfers to Sub-National Governments (PEFA PI-7)	Secondary	2.00
230	In practice, are the arrangements for resource revenue sharing between central and sub-national governments being followed?	Interview Government	4.00
231	In practice, does the Ministry of Finance follow its guidelines regarding when and how it disburses budget allocations to sub-national governments and do sub-national governments receive their entire yearly budget allocations?	Interview Government	4.00
C4.2	Fiscal Stabilization		
232	Variation of domestic revenues in real terms over 5 years - IMF WEO	Secondary	3.00
233	In practice, is the mechanism to protect budget expenditures from revenue volatility being applied?	Interview Government	...
C4.3	Resource Revenue Transparency		
234	Is all government spending from resource revenues appropriated through the national budget and, if not, are off-budget funds that manage resource revenues audited and subject to external oversight?	Primary	4.00
235	In practice, are the assets and liabilities of mining sector SOEs included in the public sector accounts as reported by the Ministry of Finance?	Interview Government	...
236	In practice, are the assets and liabilities of any natural resource funds included in the public sector accounts as reported by the Ministry of Finance?	Interview Government	...

237	In practice, does the country disclose details relevant to mining sector revenues, such as data on production, sales, reported profits and payments by fiscal instruments, through EITI or another disclosure process?	Interview Government	1.00
5	Local Impact		
B5	Local Content, Employment, Community Engagement, CSR and Social Issues		
B5.1	Local Content Rules		
238	Does your government have a policy for the promotion of opportunities for local, regional and national supply of goods and services to the mining industry that is consistent with good practice?	Primary	1.00
239	Are there site-specific agreements with mining companies that promote opportunities for local, regional and national supply of goods and services to the mining industry?	Primary	1.00
240	Is there an agency in the government whose mandate includes tracking demand and supply of goods and services needed by the mining sector and does this agency periodically conduct this assessment?	Primary	1.00
241	Does the legally binding requirement to prepare and submit SIAs and SMMPs support local and national employment, supply of goods and services, and business development?	Primary	1.00
B5.2	Employment Policies		
242	Is there a legally binding requirement that requires mining companies to provide on-the-job training?	Primary	4.00
243	Are there legally binding provisions that prohibit child labor including ASM child labor?	Primary	4.00
244	Are there government commitments to provide women with equal employment opportunities and conditions?	Primary	4.00
245	Are there legally binding rules that require employment equity, has an agency been designated to enforce the rules and has the agency put in place monitoring procedures and enforcement mechanisms?	Primary	4.00
B5.3	Rules on Community Engagement		
246	Is there a legally binding requirement for community stakeholder consultation throughout the mine life with affected communities and, if so, is it consistent with good practice?	Primary	2.80
247	Does this legally binding requirement for community stakeholder consultation conform with good practice in terms of record keeping, access, and use of information?	Primary	4.00
248	Is there a legally binding requirement that the results of community stakeholder consultations be used in preparing and updating EIAs, EMMPs, SIAs and SMMPs?	Primary	4.00
249	Is there a legally binding requirement for Community Development Agreements between mining companies, government and affected communities and, if so, is it consistent with good practice?	Primary	1.00
B5.4	CSR and Social Issues--Rules		
250	Is there a national policy on Corporate Social Responsibility (CSR) that applies to mining and is publicly available and is there an agency that is responsible for oversight of the policy and its application in different sectors including mining?	Primary	1.00
251	Is there a legally binding requirement for free, prior and informed consent, has an agency been designated to enforce the requirement and has the agency put in place monitoring procedures and enforcement mechanisms?	Primary	1.00
252	Are there legally binding requirements for local governments and companies to work together to manage the effects of the potentially rapid and disruptive in-migration around mining operations?	Primary	1.00
253	Is there a legally binding requirement for companies to collect data on, report on, and address the impacts of mining on women separately from the impacts on men?	Primary	1.00

C5.1	Local Supplier Development		
254	Has the government sought the views of a wide range of stakeholders in preparing the local content policy for goods and services within the mining value chain?	Interview Government	...
255	What percentage of goods and services is your company sourcing from local suppliers?	Interview Industry	3.50
256	How satisfied is the mining industry with the support provided for domestic suppliers in attaining local content goals?	Interview Industry	3.17
257	In practice, is there an agency in the government that is tracking demand and supply of goods and services needed by the mining sector and does this agency periodically track demand and supply?	Interview Government	...
258	In practice, does the Investment Promotion Agency (IPA) or similar organization have the capacity to fulfill its mandate in a satisfactory manner?	Interview Government	...
C5.2	Employment		
259	In practice, is your company providing on-the-job training for your employees?	Interview Industry	4.00
260	Are the laws prohibiting child labor, including ASM child labor, enforced?	Interview Civil Society	4.00
261	Is employment equity being implemented in practice?	Interview Government	...
262	How satisfied is civil society with the government's actions to provide women with equal employment opportunities and conditions?	Interview Civil Society	2.00
263	In practice are mining companies providing equal employment opportunities and conditions for women?	Interview Industry	3.38
264	In practice do mining companies value and respect their female employees?	Interview Industry	3.67
C5.3	Community Engagement		
265	In practice, are the consultations that take place between mining companies and affected communities meaningful and comprehensive?	Interview Civil Society	...
266	In practice are the consultations that take place between mining companies and affected communities comprehensive?	Interview Civil Society	...
267	Are the results of the mining company-community stakeholder consultations used in the preparation of relevant documents?	Interview Government	...
268	In practice are community development agreements negotiated between mining companies and affected communities and local governments?	Interview Civil Society	...
269	In practice do women consider that mining companies and government are doing a satisfactory job addressing women's concerns and issues?	Interview Civil Society	...
C5.4	CSR and Social Issues		
270	In practice, how satisfied are mining community representatives with how industry, government and civil society collaborate in the planning and implementation of Community Social Responsibility (CSR) activities and with the participation of women in these activities?	Interview Civil Society	...
271	In practice, is the mining industry satisfied with the planning and implementation of CSR activities?	Interview Industry	2.60
272	In practice are the health services in mining communities similar to or better than nearby non-mining communities?	Interview Civil Society	...
273	In practice are the education services in mining communities similar to or better than in nearby non-mining communities?	Interview Civil Society	...
274	In practice, do mining communities depend on regular support from mining companies for the provision of basic services?	Interview Civil Society	...

275	In practice are the effects of the potentially rapid and disruptive in-migration around mining operations adequately managed?	Interview Civil Society	...
276	Does the government recognize indigenous people on its territory and, if so, does it safeguard their rights in relation to mining?	Interview Civil Society	...
277	If the Government has a policy of free, prior and informed consent, is it implemented in practice?	Interview Government	...
278	If the government has a policy of free, prior and informed consent (FPIC), how satisfied is civil society with the implementation of this policy?	Interview Civil Society	...
279	In practice do women who are land users but not land owners receive adequate compensation for loss of land taken for mining?	Interview Civil Society	...
280	In practice does the government provide support to improve the productivity and incomes of female subsistence farmers who have had to relocate their agricultural activities due to mining development taking place?	Interview Government	...

Annex III: Votes Template

	Topics and Indicators	Votes
A	<i>Mining Sector Management</i>	
A1	Sector Policy	
A2	Sector Dialogue	
A3	Roles and Responsibilities	
A4	Intra-Governmental Coordination	
B1	<i>Rules for License Allocation, Oversight, and Transfer</i>	
B1.1	License Allocation Rules	
B1.2	License Management and Transfer Rules	
C1	<i>Collection/Maintenance of Geological Information and Effective License Allocation and Management</i>	
C1.1	Collection and Maintenance of Geological Information	
C1.2	Effective License Allocation	
C1.3	Effective License Management	
B2	<i>Mining Legislation/Processes, Land/Compensation/Resettlement, Environmental and Social Impact Management, ASM, OHSA, Mine Closure--Rules</i>	
B2.1	Mining Legislation and Processes	
B2.2	Land, Compensation and Resettlement Rules	
B2.3	Environmental and Social Impact Management	
B2.4	Artisanal and Small-Scale Mining	
B2.5	Occupational Health and Safety	
B2.6	Mine Closure and Financial Sureties for Decommissioning	
C2	<i>Land/Compensation/Resettlement, Environmental and Social Impact, Support for ASM, OHSA, Mine Closure--Practice</i>	
C2.1	Land, Compensation and Resettlement--Practice	
C2.2	Environmental Impact	
C2.3	Social Impact	
C2.4	Support for Artisanal and Small-Scale Mining	
C2.5	Occupational Health and Safety	
C2.6	Mine Closure and Financial Sureties for Decommissioning	
B3	<i>Tax Policy and Tax Administration Rules</i>	
B3.1	Tax Policy and Instruments	
B3.2	Mining Tax Administration Rules	
C3	<i>Mining Tax Administration and Auditing</i>	
C3.1	Mining Tax Administration	
C3.2	Mining Tax Auditing	
B4	<i>Revenue Sharing and Fiscal Stabilization--Rules</i>	
B4.1	Revenue Sharing Rules	
B4.2	Fiscal Stabilization Rules	
C4	<i>Revenue Sharing, Fiscal Stabilization and Resource Revenue Transparency--Practice</i>	
C4.1	Revenue Sharing Arrangements	
C4.2	Fiscal Stabilization	
C4.3	Resource Revenue Transparency	
B5	<i>Local Content, Employment, Community Engagement, CSR and Social Issues</i>	
B5.1	Local Content Rules	
B5.2	Employment Policies	
B5.3	Rules on Community Engagement	
B5.4	CSR and Social Issues--Rules	
C5	<i>Local Supplier Development, Employment, Community Engagement, CSR and Social Issues--Practice</i>	
C5.1	Local Supplier Development	
C5.2	Employment	
C5.3	Community Engagement	
C5.4	CSR and Social Issues	