

## The Shared Use of Mining-Related Infrastructure

# **Expert workshop**

November 15, 2013 Columbia University

### PROGRAM

With support from:







#### About the Vale Columbia Center on Sustainable International Investment

The Vale Columbia Center on Sustainable International Investment, a joint center of Columbia Law School and the Earth Institute at Columbia University, is a leading applied research center and forum for the study, practice and discussion of sustainable international investment. Our mission is to develop and disseminate practical approaches and solutions to maximize the impact of international investment for sustainable development. The VCC's premise is that responsible investment leads to benefits for both investors and the residents of host countries. Through research, advisory projects, multi-stakeholder dialogue and educational programs, the VCC focuses on constructing and implementing a holistic investment framework that promotes sustainable development and the mutual trust needed for long-term investments, that can be practically adopted by governments, companies and civil society

#### **About the Natural Resource Charter**

The Natural Resource Charter is a manual of best practice aimed at governments and citizens of resource rich countries. It provides practical policy advice to support decision-making that can best harness the economic potential of resource extraction, including leveraging resource-related infrastructure for sustainable development.

The Natural Resource Charter is delighted to support this project as it seeks to address an identified gap in knowledge and good practice principles around shared-use infrastructure. A key pillar of the Natural Resource Charter is helping countries leverage investments associated with resource extraction to benefit the wider economy and raise the welfare of citizens. The development of this framework by VCC is an important step towards this goal. Lessons from the survey of worldwide experience will help inform Charter recommendations on this topic as well as the design of the Charter's country benchmarking tool, which is now being deployed in various resource rich countries.

#### About the Sustainable Development Solutions Network

The Sustainable Development Solutions Network (SDSN) mobilizes scientific and technical expertise from academia, civil society, and the private sector in support of sustainable development problem solving at local, national, and global scales. This Solutions Network accelerates joint learning and helps to overcome the compartmentalization of technical and policy work by promoting integrated approaches to the interconnected economic, social, and environmental challenges confronting the world. The SDSN provides expert advice and support to the various international processes working on the post-2015 development agenda; identifies, vets, and promotes solutions that accelerate progress towards sustainable development; and develops and disseminates online education material for sustainable development

The Network is structured around thematic groups of global experts that work to identify common solutions and highlight best practices. Thematic Group 10 is on the Good Governance of Extractive and Land Resources.

#### Background

To be beneficial for a country's development, non-renewable resource extraction should be leveraged to build infrastructure that will support sustainable and inclusive growth. This is especially critical for countries facing an infrastructure-funding gap (in Africa alone there is an estimated annual infrastructure funding gap of US\$31 billion according to the World Bank's Africa Infrastructure Country Diagnostic.) While this can be achieved by capitalizing on resource taxation potential and reinvesting the tax revenues in public infrastructure, it can also be accomplished by requiring shared use of the infrastructure built by/for the mining sector to expand infrastructure coverage and access. However, the potential for leveraging mining-related infrastructure for broader development is often not realized.

Mining companies have historically adopted an enclave approach to infrastructure development, providing their own power and transportation facilities to meet their "pit-to-port" infrastructure needs. Major investments in physical infrastructure are also generally uncoordinated with national infrastructure development plans. Hence, opportunities are missed for promoting shared use of the infrastructure and taking advantage of potential synergies.

In 2013, the VCC was granted an AusAID project to develop an economically, legally and operationally rational framework to enable shared use of mining-related infrastructure, including rail, ports, power, water, internet and telecommunications. The framework builds on a worldwide survey of regulatory, commercial and operating models of shared use of rail, port and power infrastructure previously conducted by the VCC. It has been obtained by distilling best practice principles from infrastructure developments around the world, guided by expert opinion. It has most recently also been refined through in-depth case studies in Liberia, Sierra Leone and Mozambique, although its principles aim to be of general relevance to all resource rich African countries.

The framework aims at providing guidance to policy makers on how to approach the question of shared use, highlighting the operational models that are necessary for implementation, the key-success factors, the enabling conditions and how to ultimately better coordinate major investments in physical infrastructure by privately-owned natural resource concessionaires with national infrastructure development plans. The framework will also equip policy makers with a set of questions that should help conduct the negotiations on shared use with companies. The ultimate goal of the framework is to include shared infrastructure use as part of the planning and negotiation stages of extractive industry investments

This workshop is designed to get feedback on the framework from mining-related infrastructure experts from academia, companies, governments, and donor and to discuss ways on how it could be improved.

#### 7:45am – 8:30am: Registration and breakfast

#### 8:30am - 8:45am: Opening remarks

The opening remarks will introduce the framework and provide answers to the following questions:

- What is the framework for and how will it be used?
- What is the timeline to deliver the final product?
- How is this going to change the way things have been done previously?

#### 8:45am – 9:15am: *Keynote speaker – Jeffrey Sachs*

#### 9:15am - 10:00am: Building power and mining synergies

- What are the different power sourcing arrangements for mining operations?
- What are the pre-conditions to enable synergies?
- What points need to be addressed at the negotiation table to enable such synergies?

10:00am – 10:15am: Coffee Break

10:15am – 11:15pm: Round-table discussion on the findings

### 11:15pm – 11:45pm: Minimizing the water footprint of mining and increasing access to [potable] water supply for communities

- What are the models for supplying excess/ treated/ potable water to communities?
- Are there operational roadblocks?
- What type of regulations best minimize a mine's water footprint and maximize its engagement with communities on water supply?
- How do you ensure sustainability of water supply and treatment facilities after mine closure?
- What should be the questions to ask at the negotiation table?

#### 11:45pm – 12:30pm: Round-table discussion on the findings

12:30pm – 1:30pm: Lunch

#### 1:30pm – 2:30pm: Enabling shared use in rail and ports

- What are the models best suited to promote multi-use and multi-party access to rail and port infrastructure?
- Under which regulatory, commercial and operational conditions?
- What is the scope for brownfield renegotiations to enable shared use?
- What points need to be addressed at the negotiation table to enable shared use?

#### 2:30pm – 3:45pm: Round-table discussion on the findings

3:45pm – 4:15pm: Coffee break

### 4:15pm – 4:45pm: What are the opportunities for increased ICT coverage in response to mining demand and investments?

- Where should the efforts be focused?
- What regulatory structures best promote mine-related investments in expanded ICT coverage in areas surrounding mining operations?
- What should be the questions to ask at the negotiation table?

#### 4:45pm – 5:30pm: Round-table discussion on the findings

5:30pm – 5:45pm: Closing Remarks

## **Participant List**

Loren Ambinder, Legal Director, EleQtra (InfraCo) Joseph Bell, Of Counsel, Hogan Lovells US LLP; Founding Board Member, International Senior Lawyers Project Rodwell Cloete, Manager: Logistics Strategy, Anglo American Jim Cust, Head of Data and Analysis and NRC Lead, Revenue Watch Institute / Natural Resource Charter Natty B. Davis, Former Chair, National Investment Commission, Liberia David Doepel, Chair, Murdoch University's Africa Research Group Ray Finkelstein, Ex-Judge of the Federal Court of Australia Tanneke Heersche, Partner, Fasken Martineau Jose Gomez Ibanez, Derek C. Bok Professor of Urban Planning and Public Policy, Harvard University Glen Ireland, Partner, Latham & Watkins Craig Johnson, Vice President and Director of Operations - International, Stanley Consultants Geoff Jolly, Head of Rails and Ports - Global, ArcelorMittal Paul Jourdan, Resource-Based Development Consultant Ing. Mustapha K Kargbo, Presidential Advisor, Energy & Infrastructure, Strategy and Policy Unit, Office of the President, Sierra Leone Richard Keck, Partner, Macmillan Keck Bryan Land, Extractive Industries Practice Leader (Africa), World Bank Nicolas Maennling, Economics and Policy Researcher, Vale Columbia Center on Sustainable International Investment Todd Malan, VP, External Affairs, USA, Rio Tinto Jacky Mandelbaum, Senior Legal Researcher, Vale Columbia Center on Sustainable International Investment Joseph Matthews, Head of Government and Community Relations, ArcelorMittal Vijay Modi, Professor of Mechanical Engineering, Columbia University Eve de la Mothe Karoubi, Manager, UN Sustainable Development Solutions Network Miguel Peres, Managing Director, Odebrecht Mozambique Clara Roorda, Research Assistant, Vale Columbia Center on Sustainable International Investment Lisa Sachs, Director, Vale Columbia Center on Sustainable International Investment Miguel Enrique Santillana, Consultant for Diverse Institutions and Private Sector, ESAN Victoria Salem, Senior Associate, Latham & Watkins Marcio Senne de Moraes, Corporate Affairs Head for Europe and North America, Vale Alpa Shah, Consultant, Vale Columbia Center on Sustainable International Investment Michael Stanley, Sector Manager of the Sustainable Energy Department, World Bank Jeffrey Statton, Project Manager, Bechtel Sophie Thomashausen, Law and Policy Researcher, Vale Columbia Center on Sustainable International Investment Perrine Toledano, Senior Economics Researcher, Vale Columbia Center on Sustainable International Investment Lou Wells, Herbert F. Johnson Professor Emeritus, Harvard Business School Eric Werker, Associate Professor of Business Administration, Harvard University Jeffrey Wood, Retired Partner, Debevoise & Plimpton; Volunteer, International Senior Lawyers Project