



# **STRIKING A BETTER BALANCE**

## **VOLUME III**

### **ANNEXES**

**THE FINAL REPORT OF THE EXTRACTIVE INDUSTRIES REVIEW**

**December 2003**

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## **Annex 1. The Extractive Industries Review Process**

### **Origins and Objectives of the Extractive Industries Review**

During the last decade, various stakeholder groups have raised questions about whether and how extractive industries could make a positive contribution to poverty alleviation and sustainable development. The mining industry, for example, has reviewed its role and contribution to sustainable development through its Global Mining Initiative (GMI), with a consultative component known as the Mining, Minerals and Sustainable Development (MMSD) process.

At the Prague World Bank–International Monetary Fund Annual Meetings in June 2000, the nongovernmental community criticized the World Bank Group (WBG) for its involvement in extractive industries. WBG President James D. Wolfensohn responded to this with a promise to review the Bank’s role in oil, gas, and mining: “I would be perfectly happy to sit down with you and with your colleagues to try and see if there is some mechanism that we can stand back and take a look at the actualities of this extractive industry, the pros, the cons, . . . and see if together we can come up with something that will either lead to an exclusion or and inclusion on certain terms of what we are doing.”

Approximately a year later the Extractive Industries Review (EIR) was initiated by the joint International Finance Corporation (IFC)–World Bank Mining Department and the Oil, Gas and Chemicals Department, with the appointment on 19 July 2001 of Dr. Emil Salim, former Minister of the Environment for Indonesia, as Eminent Person to the review. Dr. Salim accepted the challenge to lead the EIR process, according to the objectives as laid out in the EIR terms of reference:

1. to better obtain and understand the views of stakeholders about the best future role of the WBG in the extractive industries if it is to promote sustainable development and poverty alleviation;
2. to identify possible areas of consensus on the role of the World Bank Group and the relevant issues, and to identify significant alternative or dissenting views in this respect; and
3. to make recommendations on the basis of such better understanding to focus, redesign, or reconsider, as needed, future WBG policies, programs, projects, and processes in the sector.

In parallel to the Extractive Industries Review, the World Bank’s Operations Evaluation Department (OED), the IFC’s Operations Evaluation Group (OEG), and the Operations Evaluation Unit (OEU) of the Multilateral Investment Guarantee Agency (MIGA) carried out an independent evaluation of World Bank Group experience in extractive industries. In addition, the Compliance Advisor/Ombudsman (CAO) of IFC/MIGA completed a compliance review of recent extractive industries projects of IFC and MIGA as a contribution to the Extractive Industries Review. At the same time, the CAO reviewed the impact and implementation of the Bank’s environment and social Safeguard Policies in a separate process.

The management of the WBG (the Directors of the Mining and the Oil, Gas and Chemicals Departments) has committed itself to responding to this process by producing and making public a report of Management Recommendations within three months of receiving the EIR report. The Eminent Person will be consulted during the preparation of the Management Recommendations and will be given the opportunity to express his views on the final document in a report to the World Bank Group's President and the general public.

## **Focus of the Review**

Under Dr. Salim's leadership, the EIR examined WBG activities in the extractive industries sector from the perspective of whether or not they achieved the principal aim of the Bank: poverty alleviation through sustainable development. The fundamental question the EIR sought to answer was, Can extractive industries be a vehicle for poverty alleviation through sustainable development, and, if so, is there a role for the WBG to play to achieve this aim?

## **Consultation Process and Principles**

The EIR was designed to engage all stakeholders—governments; civil society, represented by nongovernmental organizations (NGOs), indigenous peoples' organizations, affected communities and community-based organizations, and labor unions; industry (oil, gas, and mining companies); academia; international organizations; and the WBG itself—in an effective dialogue, following the EIR's guiding principles of inclusiveness, transparency, independence and relevance.

The format of the consultation process was developed at a Planning Workshop in October 2001. Following this, the EIR convened five Regional Workshops, each preceded by an open forum of testimonies by civil society. The EIR secretariat commissioned six research projects, visited four project sites, attended a number of relevant international conferences, and held informal consultations with stakeholders worldwide, as described in this Annex. Many stakeholders contributed to the Review through written inputs, which were posted at [www.eireview.org](http://www.eireview.org). In addition, an Advisory Group was established in June 2003 to support the report writing process.

## **Planning Workshop**

The Extractive Industries Review Planning Workshop took place on October 29–30, 2001, in Brussels, Belgium. The main purpose was to understand the individual perspective of each stakeholder group and to discuss the design of the regional meetings. Participants from governments, civil society, the private sector, and academia attended, along with World Bank Group regional representatives.

Participants accepted the model of Regional Consultation Workshops and elaborated a set of questions to be put to participants at these forums. They recommended that the EIR create an open space for testimonies, conduct project visits, and assure differentiated treatment of the oil, gas, and mining sectors. Several civil society representatives called for a process of self-selection for civil society representatives at all regional workshops.

## **Early Controversy—An Independent Review?**

A number of concerns regarding the terms of reference of the EIR surfaced at the planning workshop. One concern was the degree of independence of the EIR from the World Bank Group, specifically with respect to the location and staffing of the secretariat and to budget authority. Another concern was the very tight time frame overall and with respect to the internal WBG evaluations being conducted by OED/OEG/OEU and the CAO. The granting of stakeholder status to the World Bank Group was a further concern. These were taken up subsequently by the Eminent Person in discussions with the World Bank Group and with civil society representatives.

As a result, the Eminent Person was granted full budget authority, and the office in Jakarta was substantially strengthened, including relocating the Head of the Secretariat to Jakarta. In addition, the Review was extended by one year, and the World Bank Group kept its stakeholder status. The final delivery date for the report was extended to December 31, 2003, and the overall budget was increased to \$ 4.8 million.

## **Stakeholders in the EIR Process**

The EIR attempted to engage stakeholders widely, following its guiding principle of inclusiveness. Stakeholders were consulted both in multistakeholder workshops and in smaller informal meetings and exchanges with individual stakeholders. Further outreach was done through the EIR Web site, on which all EIR documents, as well as the correspondence of the Eminent Person, were posted. The EIR produced three newsletters, outlining EIR activities such as project visits, research results, and workshop outcomes. The EIR's Eminent Person sent out regular letters by e-mail to all stakeholders, updating them on recent activities.

The most actively involved stakeholder groups were the major NGOs and the large multinational corporations, reflecting their capacity to engage in the process and its priority for them. These two stakeholder groups participated in the regional workshops (with the exception of the civil society group in Asia and the Pacific), held direct meetings with the EIR team, and submitted papers specifically tailored to the purposes of the EIR.

### ***Governments***

Involving representatives from governments proved a challenge. While individuals were invited to all regional workshops, this stakeholder group attended in small numbers and often chose to maintain a relatively low profile, with the exception of the workshops in Africa and in the Middle East and North Africa. The EIR made every effort to involve more government representatives: for instance, in Eastern Europe and Central Asia, 52 government officials were invited to the workshop, but only 6 participated.

Government contributions outside of the regional workshops were also rather limited. The EIR used other means to consult governments, such as participating in the World Mines Ministries Forum in Toronto in 2002 and hosting one of the breakout sessions at that event. Although this was a multistakeholder event, it raised the awareness of the EIR significantly among government

officials at the meeting. In a further attempt to reach out to governments, the Eminent Person attended the Mine Ministries of the Americas Conference (CAMMA) held in 2003 in the Dominican Republic. Dr. Salim also met government representatives in India and China, and the EIR team saw government officials during project visits in Chad, Papua New Guinea, and Canada. Finally, the EIR met with the Extractive Industry Transparency Initiative (EITI) campaign in London; later the U.K. government submitted its views directly.

Government officials, whose views are summarized in Annex 5, represented mainly national governments, predominantly from minerals and energy ministries. The views of individuals in local government were not captured adequately by this consultation process.

### *Civil Society*

Civil society “self-selected” participants for the regional workshops, as described later in this Annex. Being a very broad and diverse stakeholder group, civil society was assigned a larger number of participants—25, versus 15 for governments and industry respectively, and 10 for the WBG. Within this group, 10 participants represented affected communities and indigenous peoples, 10 represented NGOs, and a 5 represented labor unions.

To provide more space for sharing individual experiences from project-affected communities, each regional workshop was preceded by an open forum for testimonials, coordinated by the self-selection process. Testimonies were not open for debate; only clarifying questions were permitted. Some community representatives preferred to give their testimonies directly to the EIR, in closed and off-the-record discussions. At the request of civil society, the EIR provided funding for people giving testimonies. (Mainly due to budget limitations, testimonies at the regional workshop in Latin America came only from groups self-selected to attend the closed workshop; for all other workshops, some funds were made available for this purpose.)

Except for the meeting in the Middle East and North Africa, civil society issued a statement at each regional workshop. These were read out to all participants, usually during the closing session. Members of civil society also expressed their views in open letters to the Eminent Person. These were posted on the EIR Web site along with Dr. Salim’s reply. In Asia and the Pacific, a large number of civil society representatives refused to attend the workshop, objecting to the EIR process.

NGO representatives met fairly often with the Eminent Person and the EIR team in Indonesia, in Washington, D.C., and during his visits to Chad, Cameroon, Papua New Guinea, Canada, China, India, the United Kingdom, and Australia.

Apart from team visits to communities in Cameroon and Papua New Guinea, and participation in regional workshops and testimonies, local people were not heavily involved in the consultation process. In order to capture more community perspectives directly, the EIR commissioned some research in this area. The EIR Newsletter was designed to help NGOs raise awareness of the review process among communities and local groups that were affected by mining, oil, and gas operations.

### ***Indigenous Peoples***

Indigenous peoples self-selected participants for many regional workshops and also to present testimonies. In addition, the EIR commissioned two NGOs to conduct a consultation with indigenous peoples directly, in a focused research effort that included some case studies. These were presented and discussed with representatives of indigenous peoples at a workshop in Oxford in April 2003.

### ***Industry***

Industry participated in the EIR process both as individual companies and through larger industry associations (the International Council on Mining & Metals, the International Association of Oil and Gas Producers and the International Petroleum Industries Environmental Conservation Association ). They attended workshops, met with the EIR team in separate meetings in London, and produced direct submissions to the EIR. While multinational companies were fairly well and consistently represented in the process, national companies participated more reluctantly, although industry representatives in the Middle East and North Africa workshop were mainly from this group. At the Eastern Europe and Central Asia workshop, industry had a closed session directly with the Eminent Person and the EIR team.

Small and medium-sized companies were not well represented in the EIR process. The EIR financed research to assess whether these companies (and financial institutions) explicitly adopted or recognized the WBG's social and environmental policies. Toward the end of the process, this group made a submission to the EIR through the Prospectors and Developers Association of Canada.

### ***Academia and International Organizations***

Academics and international organizations provided inputs by attending regional workshops, submitting written contributions, or doing commissioned research. Only five representatives from this stakeholder group attended the regional workshops.

### ***World Bank Group***

The World Bank Group itself was considered one of the stakeholders in the review. While the EIR was first initiated by the Mining Department and the Oil, Gas and Chemicals Department of the WBG (which merged during the time of the EIR), many other departments were involved in the review. The WBG self-selected 10 participants for the regional workshops, in a process coordinated by the Oil, Gas and Mining Department, completely independent of the EIR. The WBG's internal evaluation units (OED and OEG), and the Office of the Compliance Advisor/Ombudsman were also represented at the workshops.

In the course of the review, Dr. Salim met with WBG management and staff on a number of occasions, including the Mining, and the Oil, Gas and Chemicals departments; the Energy and Mining Sector Board; the Environment and Social Sector Board; the Multilateral Investment Guarantee Agency; the Operational Vice Presidents; the Environmental and Social Development

Vice Presidency of the World Bank; and IFC's environmental and social departments. Regional meetings took place with the management of the Energy Sector Management Assistance Programme, of the Latin America and the Caribbean region, of the Eastern Europe and Central Asia region, and of the Middle East and North Africa region.

In addition, Dr. Salim met with the Board of Executive Directors of the WBG, having one technical briefing with the Executive Directors, and, in anticipation of the regional workshops, meeting with individual Executive Directors representing countries in Asia, Latin America, the Middle East and North Africa, and Eastern Europe and Central Asia. Dr. Salim met individually with a number of Executive Directors after the third Advisory Group Meeting.

### **Civil Society “Self-selection”**

Civil society selected their own participants at regional workshops, as well as in the Advisory Group and for the final workshop. For each regional workshop, a civil society coordinator was nominated by the EIR to lead this self-selection process. These coordinators were chosen on the grounds of their own or their organization's previous involvement in the EIR process: three out of five of them were present at the Brussels workshop. Furthermore, they were representatives of civil society organizations with far-reaching networks in the region and were based in the region. Once nominated, the self-selection coordinators facilitated this process independently.

Sebastao Manchineri (COICA), coordinator for Latin America and the Caribbean, and Petr Hlobil (CEE Bankwatch), coordinator for Eastern Europe and Central Asia, both attended the Planning Workshop, as did Emmy Haffield (Walhi), who was asked to coordinate the self-selection process for Asia and the Pacific. The self-selection there was finally organized by Nur Hidayati (Walhi) and Fabby Tumiwa (on behalf of Walhi) for NGOs, and by Victoria Tauli Corpus for Indigenous Peoples. Self-selection in Africa was coordinated by Abdulai Darimani, from the Third World Network, and the self-selection of civil society in the Middle East and North Africa was coordinated by Abdel Rahman Sultan (Friends of the Earth Middle East).

Coordinators were provided with a target number of participants for the workshop: 10 from affected communities and indigenous peoples, 10 from NGOs, and 5 from labor unions. Representation was to reflect regional balance, a balance of relevant issues for the region, and the whole range of civil society views. Coordinators also were provided with a list of civil society contacts in the region from the secretariat's own database.

The process took slightly different forms in each region. In Eastern Europe and Central Asia, the coordinator set up an e-mail discussion list that was open to all civil society organizations, and facilitated a discussion in Russian and English on different criteria for self-selection. Participant selection then followed the views from this debate. Organizations were encouraged to invite colleagues to get involved who were experienced on the issues in these sectors and with the WBG. They were asked to fill out a form that provided details on their experience, expertise, and proposed area of representation at the regional workshop.

In Africa, civil society organized an internal workshop before the EIR regional workshop in order to discuss the issues and to prepare a common position for the consultation. Civil society

representatives welcomed the opportunity to create a NGO network dealing with extractive industry issues, as many participants had not met previously. The EIR accepted a request from civil society to invite a representative from another region, and invited the coordinator from Eastern Europe and Central Asia to the Africa Workshop. Africa was the only region that nominated a number of U.S.-based NGO representatives to participate in the workshop.

The self-selection process for Asia and the Pacific was delayed due to the terrorist attack in Bali and the outbreak of war in Iraq. Self-selection of 10 NGO participants initially started in October 2002 and was organized in three stages: first, information dissemination to NGOs, groups, and networks of civil society organizations (some organizations that questioned the objectives of the EIR sent a strong message not to follow the process); second, submissions by organizations and groups, and the compilation of a tentative list of participants; and third, submission of a tentative participant list to all organizations involved in the process of self-selection for comment, criticism, objection, or feedback. The final list of participants was submitted to EIR secretariat.

## **Conceptual Framework**

A conceptual framework was created that outlined the main questions to be addressed in the process, particularly in the regional workshops. This framework was posted on the EIR Web site and distributed to workshop participants. The guiding questions were:

- Can extractive industries projects be compatible with the WBG goals of sustainable development and poverty reduction?
- Is it possible to translate resource wealth into sustainable development and strong poverty reduction in resource-rich countries?
- What are the key reasons that extractive industries do not make a positive contribution to sustainable development and poverty reduction?

Questions were also raised about how WBG investment decisions were made, what changes should be made to WBG policies and frameworks, and what the WBG's role should be in developing international standards and codes of best practice. Furthermore, what conditions should be placed on any WBG involvement and lending in extractive industries sectors to improve the accountability of all parties? Participants at regional workshops in Rio, Budapest, and Maputo specifically picked up on questions regarding the WBG structure and incentive mechanism.

## **Regional Workshops**

The five Regional Consultation Workshops were held in each of the World Bank Group's designated regions:

- Latin America and the Caribbean, in Rio de Janeiro, Brazil, 15–19 April 2002;
- Eastern Europe and Central Asia, in Budapest, Hungary, 19–22 June 2002;
- Africa, in Maputo, Mozambique, 13–17 January 2003;
- Asia and the Pacific, in Bali, Indonesia, 26–30 April 2003; and

- Middle East and North Africa, in Marrakech, Morocco, 29 June–2 July 2003.

Dr. Salim chaired the discussions in each workshop, exploring the role of the World Bank Group in each region in the extractive industries. Each workshop started with an open forum with testimonials from civil society participants, coupled with a World Bank Group information session. This was followed by a closed forum for invited participants.

Interested participants prepared case studies outlining positive and negative impacts of WBG projects in the extractive industries. Participants at the first two workshops, in Latin America and in Eastern Europe and Central Asia, outlined three scenarios for the future: in the first scenario, the WBG would withdraw altogether from these industries; in the second one, the status quo would prevail; and in the third one, the World Bank Group would change its involvement in the sectors. This discussion was dropped in the later workshops to provide more time for the case studies.

Participants worked in small, mixed groups on specific questions and then elaborated recommendations regarding the WBG's future role in the sectors. On the whole, an open-minded, cooperative spirit prevailed throughout the workshops, and common ground was found on many recommendations.

Similar themes were discussed in the different regions. Revenue management was discussed in all regions. Good governance, disclosure policy and access to information, and artisanal and small-scale mining were discussed in at least three regional workshops. Capacity building, conflict management, human rights, dialogue and partnership facilitation, legacy of the past and closure, standards, guidelines and monitoring, general environmental issues, and WBG procedures were discussed in at least two regional workshops.

In Asia and the Pacific, participants discussed size and speed of project development, gender, and corruption. In Latin America, they looked at the empowerment of civil society and at the social and environmental responsibility of business. Stakeholders from Eastern Europe and Central Asia produced recommendations on transition policy, impacts and benefits at the community level, institution building and the regulatory framework, and social mitigation. Participants from the Middle East and North Africa focused on economic diversification, poverty alleviation, foreign versus national ownership, structural adjustment, and public participation.

## **Final Workshop**

A final workshop was held in Lisbon, Portugal, on 11–13 December 2003 to discuss the completed EIR report and to consider options for implementing its recommendations. It was attended by some 80 stakeholder representatives, many of whom had been involved in EIR regional workshops during the preceding two years. Volume V provides a report of the meeting, as well as papers and letters from organizations or individuals with comments on the workshop itself or on the EIR process or report.

## **Research Program and Project Visits**

In addition to drawing on a wealth of previous research, the Extractive Industries Review commissioned six new research studies and undertook four visits to projects to complement its consultation and research activities (see Annex Box 1–1).

One study analyzed the linkages between World Bank and IMF-supported structural reform programs, and the impacts of these programs on the extractive industry sector, using Tanzania, Peru, and Indonesia as case studies. This research provided insights into complex linkages that would not easily have surfaced in stakeholder consultations. The outcomes are captured in the report discussions on structural reform.

A second study looked at the extent to which small and medium-sized extractive companies and financial institutions recognized or adopted the WBG’s social and environmental policies. It is widely assumed that the WBG’s Safeguard Policies have been adapted by the industry at large. Because small and medium-sized companies and financial institutions did not participate in the regional workshops, this topic was not expected to come up during the consultations, which is why the research was commissioned.

Another commissioned paper focused on the relationship between indigenous peoples, extractive industries, and the World Bank Group. It encompassed a number of case studies that were later discussed at a workshop in Oxford. Support for this research was based on the desire to give extra space for consultations with the more vulnerable groups affected directly or indirectly by WBG activities in the extractive industries.

A fourth study reports on community perspectives on WBG investments in extractive industries, including two case studies from Turkey and Bolivia. It has been rather difficult for the EIR to reach out and consult affected communities directly, and this research was one means of filling this gap and soliciting views directly from communities living at or near a WBG project site.

Another report provided analysis of various stakeholders’ views, comments, and inputs on the World Bank Group’s role in small-scale mining, which surfaced as one of the main topics in the course of the EIR consultations. This collection and analysis of stakeholder views supplements inputs received during discussions at three regional workshops.

The final commissioned research was a map-based analysis of mining and its potential impact on critical ecosystems and communities. The impacts of mining on critical ecosystems and communities were of real concern to many participants in the EIR process, and this research aimed to enhance the EIR’s understanding of these issues.

#### **Annex Box 1–1. EIR Project Visits**

Discussions with people at and near project sites provided firsthand experiences and a deeper understanding of stakeholder perspectives on projects.

Papua New Guinea — The first project visit, in August 2002, focused on observing and understanding the economic, social, and environmental impacts of extractive industry developments in Papua New Guinea—a country of high biodiversity, rich in natural resources, but with poor development indicators.

The EIR visited the Lihir and Misima gold mines and the Kutubu Petroleum project and held meetings with government agencies, industry representatives, and civil society in Port Moresby.

Chad-Cameroon Oil Pipeline Development Project, Chad and Cameroon — The EIR traveled to Africa in October 2002 to assess the Chad-Cameroon Oil Pipeline Development Project. The team held meetings with stakeholders in Chad and Cameroon and visited project sites and local communities in both countries.

Mozal Aluminum Smelter, Mozambique — For the third project visit, Dr. Salim and the team paid a brief visit in January 2003 to the Beluluane Industrial Park to see the Mozal Aluminum Smelter Project.

EKATI Diamond Mine, Sub-Arctic Canada — In February 2003, the EIR visited the extremely well run and profitable Ekati mine, owned by BHP Billiton. This mine has put Canada directly onto the worldwide diamond mining map and is considered to be one of the most modern in the world. The Impact Benefit Agreement with Aboriginal groups was generally considered satisfactory by all parties and was being continuously monitored and adapted.

## **Annex Box 1–2. Participation in International Conferences**

### World Mines Ministries Forum 2002, Toronto, Canada

In March 2002, Dr. Salim chaired a session at the World Mines Ministries Forum 2002, asking interested participants from mixed stakeholder backgrounds to discuss what role the World Bank Group should play in assisting countries to improve the value of their mineral development, as well as how and whether this role should be altered.

### Global Mining Initiative, Toronto, Canada

Dr. Salim attended the GMI conference in Toronto in May 2002 and presented the process of the EIR as well as the recommendations from the first regional workshop in Rio.

### Mine Ministries of the Americas Conference (CAMMA), Santo Domingo, Dominican Republic

In March 2003, Dr. Salim had a special dialogue on the Extractive Industries Review process with the Mine Ministries of the Americas Conference (CAMMA) in Santo Domingo. He raised some specific issues on mining, including small-scale mining activities in Latin America and the Caribbean and market access for minerals and metals.

## **Conferences and Informal Discussions with Stakeholders**

The EIR received a good deal of input at international conferences (see Annex Box 1–2) and through informal discussions and exchanges with key stakeholders.

In July 2002, the EIR met in London with Anglo-American, BHP Billiton, Rio Tinto, British Petroleum, Shell, ExxonMobil, Chevron-Texaco, and the European Bank for Reconstruction and Development. These informal discussions centered on the role of the IFC for companies, the follow-up process for MMSD, and the WBG's role in facilitating a transition to clean energy.

The EIR also met with a number of NGO representatives in the office of the London-based NGO Global Witness to discuss corruption and transparency issues. The NGOs stressed that voluntary disclosure would not work; rather, transparency and disclosure have to be applied uniformly. They urged the WBG and IMF to push for transparency with every instrument at their disposal, for instance through the Country Assistance Strategy. The WBG could further facilitate disclosure by laying out ground rules for disclosure in its operating procedures.

In November 2002, Dr. Salim had meetings in Australia with stakeholders from BHP Billiton, Oxfam Australia, and the Australian Business Council for Sustainable Energy. Discussions with BHP Billiton focused on how the WBG could help promote the climate for foreign direct investment in the poorest countries of the world and thus have a greater impact on sustainable development and poverty alleviation. The visit to Community Aid Abroad (CAA)/Oxfam Australia's Mining Ombudsman focused on dispute mechanisms within the mining industry. CAA's Mining Ombudsman recommended that an independent, international, rights-based "grievance mechanism" be established for communities affected by mining.

The Australian Business Council for Sustainable Energy suggested that Country Assistance Strategies identify renewable energy resources and create an enabling climate for a country to move to renewable energy and for fair competition for renewable energy companies.

In Manila, Dr. Salim participated in the 2nd World Conference on Green Productivity in December 2002. Following this he had discussions at the Asian Development Bank that highlighted the need for fuels to achieve growth in Asia. Abundant coal reserves in China, India, Pakistan, and Indonesia could provide fuel at a relatively modest cost. And with consumption set to escalate, Asia could become a major contributor to global climate change. It was suggested that the World Bank Group and the Asian Development Bank should counter this with an Asian development strategy.

In January 2003, Dr. Salim met in Guillin-Beijing with officials from the Government of China, extractive industry business leaders, the academic community, and a number of NGOs to learn about their views on EIR-related issues. Given China's huge population and aspirations to develop according to the dominant energy-intensive trend, Dr. Salim particularly wanted to know what related environmental strategies existed and what climate-friendly energy strategies were being developed. Dr. Salim invited people to participate in the Asia Pacific regional workshop. He also met with World Bank and IFC staff in Beijing.

In India, Dr. Salim met in February 2003 with business leaders, government officials, World Bank Group representatives, and NGOs. Discussions focused on efforts to mitigate and adapt to climate change, exploring how the WBG could encourage developing country giants like India and China to fast-track adoption of climate-friendly energy technologies, policies, and practices.

Stakeholders were encouraged to contribute submissions to the EIR and to participate in the upcoming Asia Pacific consultation.

## **The Process of Report Writing**

The EIR's terms of reference set the following guidelines for the report: "Describe the process of consultation, summarize the views and concerns expressed by stakeholders on the future role of the World Bank Group in the extractive industries, identifying, where appropriate, areas of broad consensus and significant alternative views; as well as make recommendations for the World Bank Group to focus, redesign or reconsider, as needed, future World Bank Group policies, programs, projects, and processes in the sector."

The EIR's Eminent Person was responsible for drafting the final report, with assistance from the secretariat and from a 10-person Advisory Group, which convened three times to review and comment on each draft.

The writing process followed the same principles as the consultation process: inclusiveness, transparency, independence, and relevance. The Advisory Group helped to ensure these principles. Moreover, each draft was posted on the Web site and sent to all workshop participants, which enabled a wider array of stakeholders to channel their comments into the writing process. The minutes from each Advisory Group meeting also were posted on the Web site.

## **Advisory Group**

The Advisory Group was set up in June 2003 to support the report writing process, and to help ensure that the final report was credible and honestly reflected all stakeholder views.

The advisors specifically were asked to ensure that:

- the EIR Report focused on whether or not the WBG's support for extractive industries has or could promote the Bank's commitment to poverty alleviation and sustainable development, with due regards to the impacts on women and indigenous peoples;
- the EIR Final Report provided concrete recommendations for the World Bank Group's possible future role in the extractive industries;
- the EIR Final Report accurately reflected the results of the consultations and recommendations put forward by stakeholders within these consultations; and
- the Eminent Person accurately defined the areas of agreement and disagreement resulting from the consultations.

The members of the Advisory Group were selected based on their merit, experience, knowledge, and expertise in the extractives sector, and from a mixed stakeholder background in order to provide a balanced reflection of different stakeholder perspectives on the role of the Bank in the sector. They did not, however, have a formal representative role for any specific stakeholder group, nor does their participation in the Advisory Group indicate endorsement of the report. Organizations are listed for identification purposes only:

- Dr. Herman Daly, Professor, School of Public Affairs, University of Maryland, United States
- Gino Govender, International Federation of Chemical, Energy and Mine and General Workers' Unions (ICEM)
- Wanda Hoskin, Senior Advisor–International, Minerals and Metals Sector, Natural Resources Canada
- Petr Hlobil, International Oil and Climate Coordinator, Central and Eastern Europe Bankwatch Network
- Veronica Huilipan, Coordinator of Mapuche People, Argentina
- The Honorable Mamadou Lamine Loum, Chairman of the Independent Advisory Group for the IFC-IBRD related Chad-Cameroon Oil Pipeline Project and former Prime Minister for Senegal, Senegal
- Fergus MacKay, Coordinator, Legal and Human Rights Programme, Forest Peoples Programme, United Kingdom
- Sir Mark Moody-Stuart, Chairman, Anglo American, plc., United Kingdom
- Petter Nore, Vice-President, Norsk Hydro ASA, Norway
- Dr. Michael Ross, Associate Professor, Department of Political Sciences, University of California, United States

## **Secretariat**

The EIR maintained offices in Jakarta, Indonesia, and Washington, D.C. From time to time the small secretariat was aided by consultants who assisted with specific short-term assignments.

At the time of writing the report, EIR team members were: Chandra Kirana, Julia Grutzner, Rini Sulaiman, Bardolf Paul, Roberta Lovatelli, Roslita Arsyad, Charity Agorsor, Maiko Church, David Cumming, and Jacquelyn Dille. In a part-time capacity, the team was supported by Luke Danielson and Robert Goodland, Contributors to the EIR report; by Ismid Haddad, Personal Advisor to Dr. Salim; and by Linda Starke, Editor.

The EIR is grateful for the contributions of past EIR staff and consultants: Bernard Salome, Ina-Marlene Ruthenberg, Agus Sari, Amy Sweeting, Emily Horgan, Amy Corley, Didier Rancher, Peter Ellwood, Mardi Minangsari, Mohamad Reza, Erlina Jeniwati, Ioana Zamfir, and Corina Cotenescu.

## **Delivery of the EIR Final Report to the WBG President and the Public**

The report was delivered to World Bank Group President James Wolfensohn in January 2004. It was released to the public before the Lisbon workshop through the EIR Web site.