

The Extractive Industries Consultative Review (EIR)

Planning Workshop

**Brussels, Belgium
October 29-30, 2001**

Report

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1. Welcome Speech by Prof. Dr. Emil Salim

In a welcome address to the workshop participants, Dr. Salim outlined his vision and principles of the Extractive Industries Review. He summarized them around the principles of independence, trust, inclusiveness, equality, sustainability, honesty, and transparency. He noted that these were the principles he formulated when agreeing to take on the leadership of the review and demanded from the management of the World Bank Group that the review respect them¹.

Independence: He underlined that he is fully independent to do the job. During the workshop, he intends to clarify further remaining issues around independence in terms of budget and budget management with World Bank Group management.. The budget envelope is US\$ 1.5 million from the WBG, US\$ 1.5 million from the Government of Norway and US\$ 0.1 from the Government of Germany. He demanded a free hand in determining how to spend this budget of \$3.1 million.

Trust: ‘Trust is the base’ he announced and emphasized the importance of trust from all stakeholders that shall participate on an equal basis: the World Bank Group, business, civil society, and governments. “If there is no trust in me, then forget about it, then I better pack my bags and leave the job.”

Inclusiveness: In order to achieve trust, the review needs to be inclusive. Inclusiveness means that everyone participates on an equal basis, with equal weight. While the quantity representation may not be equal, it is the quality that is important, he argued. He encouraged qualitative inputs from all participants at the Planning Workshop that would help move the Review forward, and help design a ‘bottom up’ approach for the regional consultations. He stated: “It is not a show. I don’t want a show. I hate shows”.

Sustainability: The discussion shall take place in the broader context of economic, social, and environmental sustainability. Economic sustainability requires that a yoyo effect, namely economic instability that hurts the poorest the most, needs to be avoided. Social sustainability means that the spiritual, cultural environment of the social community where the activity takes place may not be killed for any reason. A long-term perspective is required since we are dealing with non-renewable, depletable resources. The key question is: “How can we save a depletable resource for future generations?” Also, he outlined that the discussions ought to be forward looking, seen in the context of development impacts of extractive industries, and be region-specific for policy making.

Honesty: Dr. Salim promised an honest review and wants the process be based on honesty. For a successful outcome he needs to have guaranteed direct access to the World Bank Group President and Board of Directors, whenever necessary. In the light of honesty, the report ought to be clear about what needs to be improved, and the Eminent Person wants the opportunity to comment on the management recommendations, at which point he can clearly state where he succeeded and where he failed.

Transparency: The fifth principle is transparency and he pledged to be open to all. The website will assure transparency, which is fundamental to finding out what needs to be done.

¹ See Annex 3 for the transcript of the speech.

Dr. Salim pointed out that there are lots of studies and knowledge already available on the issues around extractive industries. However, there is no agreement between governments reflecting a joint understanding how depletable resources can be used for the benefit of future generations.

In closing, he stated: “Shall there be disagreement, okay let there be disagreement. But let’s make clear what we disagree about, and how to overcome the disagreement.” He called on the workshop participants to help him along in making sure the process is inclusive, open, and transparent.

2. Why the Extractive Industries Review? Ideas about a Process with Results

Bernard Salomé, Head of the Extractive Industries Review Secretariat, outlined the stakeholder map of the Extractive Industries Review, as well as the objectives of the Planning Workshop in Brussels, and how it fits in with the overall design of the review.

The stakeholder universe

There are four main stakeholder groups participating in the review: governments, business, civil society and the World Bank Group. (See Annex 4 for the presentational overview of the concept)

Governments: This stakeholder group encompasses governments from both north and south, as well as aid agencies, bilateral and multilateral agencies, and the UN family. Export credit agencies are part of the universe of the extractive industries, and therefore need to be considered also.

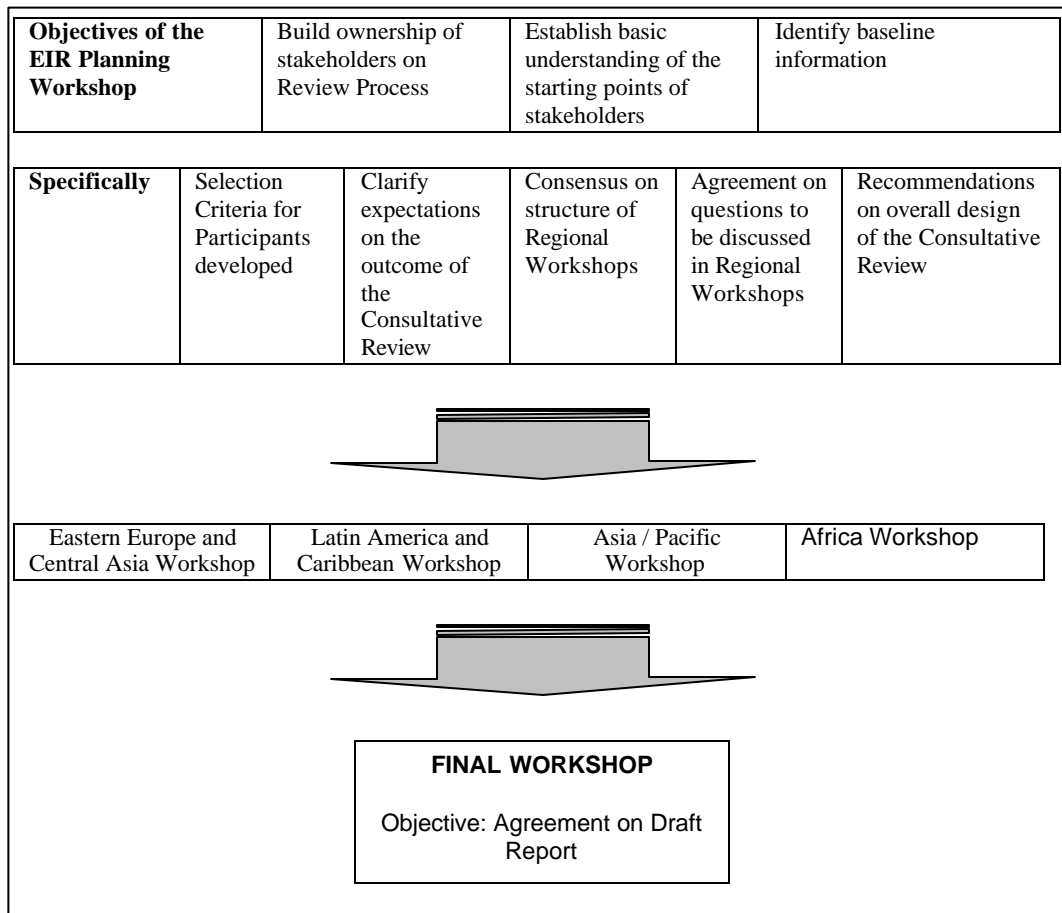
World Bank Group: Given the complexity of the organization, there are many different units that are involved in oil, gas and mining projects in some way. These include: the World Bank Groups evaluation departments: OED and OEG (Operations Evaluation Department/ Operations Evaluation Group), the Multilateral Investment Guarantee Agency (MIGA), the Compliance Advisor/Ombudsman (CAO), the Mining Department and the Oil, Gas and Chemicals department (CMN, COC), the Environmentally and Socially Sustainable Development Unit (ESSD).

Business: Businesses are subdivided into groupings, businesses from the north and from the south, private and public. The private companies are subdivided into junior and major companies. While major companies are bound by compliance guidelines, junior companies, often not listed at the northern stock markets, are not subject to this disciplinary force. The World Bank Group may have an influence here on business. Included are also private consultants, insurance companies, banks and associations, present at the Planning Workshop are the Mining Minerals Sustainable Development (MMSD) and International Association of Oil & Gas Producers (OGP).

Civil Society: Here there are community based organizations (CBOs), Northern and Southern NGOs, labor organizations, and academia. We will attempt to work as closely as possible with the affected communities. Southern NGOs will be very important in this respect. Artisanal Mining affects about 13 million people. Cross cutting issues that are of concern to this stakeholder group include human rights, gender, indigenous people, environment, governance: corruption, revenue management), and the issue of assuring that there is a dialogue between companies and the civil society.

Planning Workshop Objectives within the Overall Design of the Review

Bernard Salomé stressed that the process aims to be inclusive, and in addition to the regional workshops, there will also be other forms of consultation, for example through the website.



3. Questions and Answers: Plenary on Monday, October 30, 2001

In a plenary session there was a lively debate, evolving around issues such as: Planning Workshop representation; independence of the process and the EIR secretariat; role of the World Bank Group in the process; climate change; differences between oil, gas and mining sectors, Dr. Salim's position as chairman of both the Extractive Industries Review (EIR) and the World Summit on Sustainable Development; and the relationship of the World Bank Group with host governments and local communities. The summary captures only the key points made.

Selection of Participants – process, independence and regional representation: The concern about a skewed representation in the workshop and the little representation of Africa was aired. Apprehension and doubts were expressed with respect to the process being truly independent and a need for reassurance about the selection process was articulated.

Answer: It was explained that the process of determining invitees had taken place under a tight deadline and aimed at achieving good representation. Geographic balance had not been attempted, but rather quality representation. Selection criteria for future workshops would be

designed at this workshop. The EIR team sought to receive suggestions for candidates from the regions for the regional meetings.

Independence of the EIR process and the Secretariat: Some anxiety was expressed about who would be chosen for the expert groups, who would issue papers, the location of secretariat being inside IFC and whether it could be moved to Jakarta. The credibility of the process was seen as depending largely on the independence of the Eminent Person. There was a suggestion that this might be too much of a burden, and that he therefore needed a broader stakeholder group supporting him with an independent budget and an independent Secretariat.

Answer: Dr. Salim explained that the World Bank Group had some concerns with regard to the World Commission on Dams. The EIR needed a Secretariat with access to confidential information, that could act as a bridge for trust that would create ownership during the process for the World Bank Group in terms of what the EIR produced. There needed to be a “Chinese Wall” between the World Bank Group and the Secretariat (which was paying for its office space). He stressed that there was a fine line to be walked, being in and out of the World Bank Group. “In, to the extent that the World Bank is trusting you, but out in the sense that in the process they will not influence your decision making.” On the issue of the secretariat’s independence, Dr. Salim explained that he was aware of the importance of independence and that the Secretariat staff worked for him, and he had asked for control of the budget allocation.

Role of World Bank Group in the EIR: It was mentioned that the World Bank Group was one of the stakeholders in the process, and that the management still had the choice to totally reject the recommendations. There were eight World Bank Group staff at the planning meeting, which should be independent of World Bank Group influence. Also, the question of the impact of World Bank Group staff on the review’s credibility, and whether their role was to listen or to participate was raised. Thirty NGOs had written a letter of concern to President Wolfensohn about such issues of the EIR, and now were questioning what they considered to be a glib, inadequate response from the World Bank Group.

Answer: James Bond, Director of the World Bank Group Mining Department explained that the World Bank Group capital is owned by about 180 countries. The role of World Bank Group management is to present projects and policies to the World Bank Group Board for decision. “If the recommendation comes out that the World Bank should get out of oil, gas and mining and this is supported by OED, OEG, then we will shut down the business.” He noted that it is important to understand that if the World Bank Group management is not involved, it cannot give an opinion on the consultation. There has to be a “buy-in” and there is a difficult trade-off between no involvement or some degree of participation by the World Bank Group. It was explained that for this workshop the World Bank Group staff were available to provide information and are there to listen.

Climate Change: It was noted that the climate issue is important and attention was drawn to a connection between emissions, the interaction with the Kyoto protocol and this process. A number of EIR stakeholders are involved in this area, and therefore the question arose why there were no renewable energy stakeholders at the workshop, and why neither affected parties from small island states had been invited. Another voice was concerned that the meeting might be “hijacked” by climate change issues and did not want the EIR to be used as a vehicle to discuss climate change.

Answer: It was pointed out that renewable energy and recycling are substance issues and the workshop is rather about defining the process.

Differences between oil and gas and mining sector: It was noted that the oil, gas and mining sectors have different risk/reward profiles and different contributions to climate change.

Translations: There was a concern expressed about the style of the proposed regional workshops, and the need to have documents in local languages because of the difficulties caused if they are only in English.

Dr. Salim's chairmanship and connection between the EIR and the World Summit on Sustainable Development: The EIR and the World Summit on Sustainable Development are two different processes, and the question arose how Dr. Salim sees the connection. He had earlier remarked the lack of a convention between governments regarding the extractive sectors, ought this not rather be an issue for the latter process?

Answer: Dr. Salim pointed out that the preparation process of the World Summit was underway and organized by governments. At this stage they were seeking ideas. In comparison, the EIR process was a bottom up process, and it had not been predetermined what would be discussed. The question for these processes was how to conduct sustainable development in the 21st century? He saw a need for the EIR to look forward, to define what the issues were in the regions and suggest how to cope with them. By January 2002, the second preparatory meeting would be held for the World Summit and then the topics would be negotiated: populations, climate change, ocean, sea, forest, bio-diversity. All these are land up topics. Mining and oil/gas projects on the other hand are land down and mainly found in developing countries.

World Bank Group relationship with host governments: A question was asked about the interface between the IFC and host governments. IFC was said to operate independently of governments, and an example was cited when the host government was not given an opportunity to comment on how mine rehabilitation was carried out. It was noted that social issues receive very small investments but pose the greatest challenges and that it was easier to know how to fix engineering problems than how to resolve social issues.

Answer: Mr. Bond clarified that his group was open to suggestions on such issues.

4. Basics on the World Bank Group, its Structure, Instruments and Processes

Monika Weber-Fahr from the WBG Mining Department held a *Power Point* presentation (see annex 5.)

Comments:

- ~~✍~~ Interface between International Finance Cooperation and government is observed with concern in a mining project in Ghana that IFC is operating independently of government with respect to reclamation.
- ~~✍~~ The challenge for mining projects are not on the engineering side but on social development
- ~~✍~~ It was noted that the extractive industries sectors were a small percentage of World Bank Group funding and asked for details.
- ~~✍~~ A participant informed the plenary that a database at www.seen.org, which included all World Bank and IFC investments, suggests that about \$20 billion in World Bank Group investments resulted overall in 40 billion tons of CO₂. Mining represents about 2% of total World Bank Group investments, oil and gas represents less than 2%

- ✍ It was noted that the TOR of the review state that extractive industries can contribute to poverty alleviation and economic development, and wanted clarification as the recommendations could be to exit from extractive industries. There was a question whether the TOR could be changed or adapted.
- ✍ It was commented that the World Bank Group was not sufficiently forthcoming in making information available about its involvement in the extractive sectors.

Questions:

WBG relationship with local communities: A local community representative understood that the World Bank Group works with government and business and asked how many departments of the World Bank Group worked with local communities. Was there a strategy to provide a link with local communities?

Answer: Ms. Monika Weber-Fahr explained that World Bank Group gives loans to governments and that some projects work directly with local communities, mostly through social funds. In the case for sector reforms in mining, oil and gas, communities would be one of the three key stakeholder and an important party in the decision making. There are groups in the Bank who are working directly with local groups and communities.

Catalytic Role of WBG: A participant asked how many new projects in oil, gas and mining in the past five years would have proceeded without World Bank Group funding.

Answer: It was explained that in principle the World Bank Group only finances projects that would not go ahead without them. There were about eight projects in mining and fifteen oil and gas projects.

5. Identifying questions of Subject Matter for the Four Regional Workshops

The purpose of this working session was to identify key questions that shall be discussed during the four Regional Workshops in Asia and the Pacific, Latin America and Caribbean, Africa and Eastern Europe and Central Asia. For consistency purposes all Regional Workshops should deal with some comparable questions. This has to be carefully balanced with the need to be region specific. Each participant was asked to join one of the four groups:

1. Civil Society
2. Government
3. Business
4. World Bank Group

Each group applied a brainstorming and filter process and developed a set of priority questions through a sequence of filter mechanisms².

² *Brainstorming and Filter Process:*

1. Please think alone and quiet and make a list of all “good questions” that come up to your mind (5’)
2. Select three of your list and write them on cards.
3. Meet your small working group, present your proposals, make a common list. (20’)
4. Select the 3 “best questions” from your list and present them.
5. Establish together a list of “best questions” and select 3-5 of them for the plenary presentation.

The questions should meet the following criteria:

1. They are suited to prepare decisions
2. They can really be discussed in a workshop situation
3. They cannot be answered simply by existing studies

5.1. Working Group ‘Business’

The group ‘Business’ identified five priority questions³.

1. What are major positive and negative contributions that Extractive Industries have made in your region, country and communities?
2. What would be the consequences of WBG withdrawal from the Extractive Industries for your region?
3. What are the specific regional priorities for Sustainable Development action by the WBG?
4. What can the WBG do to improve Sustainable Development of the extractive industries sector in the region?
5. How can the WBG promote a better project assessment and sustainable development framework?

5.2. Working Group ‘World Bank Group’

The group ‘World Bank Group’ identified four priority questions:

1. What are the key things that stop extractive industries from making a positive contribution to sustainable development and poverty reduction and what can the World Bank Group do about those?
2. What will happen if the World Bank Group withdraws from these sectors?
3. Should the World Bank Group work only with “good performers” on environmental, social economic matters in the sector (companies, countries) or also on improving “bad” performers?
4. Assuming the WBG stays in the sector: What requires most urgent attention? (what processes, what substance/project types)

5.3. Working Group ‘Civil Society’

This group identified eight key topics for questions, but did not establish any priority among these topics and questions.

A. Evaluation of the past: impact - process - compensation

1. How has the environment, human rights, the economy and your lives been impacted by oil, gas, and mining projects?
2. Have you realised the economic or social benefits promised, or were you consulted?
3. What has happened when you raised concern about projects with the appropriate authorities (e.g. Government/World Bank)?
4. To what extent have WBG projects in the sector upheld UN-Declaration on human rights and equity concerns; how can WBG adopt a rights-based approach?
5. How can WBG ensure that communities and indigenous peoples are compensated for the impacts of their bad projects?

³ A full collection of the questions that were identified by the group can be found in Annex 6.

B. Contribution to sustainable development

1. What practices can WB promote to ensure that oil, gas and mining projects result in environment social benefits?
2. Should WB require mechanisms for participatory revenue management?
3. What role should WBG play in ensuring that sustainability goals are achieved through resource development at the community level?
4. Where the revenues of the projects end up and how to ensure projects improve quality of life and people and reduce conflict?

C. Monitoring of project implementation

1. Should we require companies to allow independence monitoring?
2. Should WBG require the involvement of communities in development decisions and the Monitoring results (environmental, social, economic)?

D. Full participation, also on community level

1. How can WBG involvement in sector be made more accountable (Legally and Practically) to civil society and ensure all voices are heard?
2. Can we agree that indigenous peoples and other local communities should have right to free, prior and informed consent?

E. New policies

1. Should the WBG continue investing in oil, gas and mining or is there a better alternative for poverty alleviation?
2. What is the WBG Role in making clean + renewable energy available commercially, and how can the WBG ensure the reduction of emissions of Green House Gases?
3. Can local benefits justify the global impacts and local impacts?
4. Should World Bank be involved in Extractive Industries beyond mitigation of impacts of Mine Closure or Alternatives?

F. No GO

1. Should some areas be off-limits from o/g/m development?
2. Should oil, gas and mining be banned in some areas? Should WBG help in this process?
3. What criteria should be used for Go/No-Go options beyond technical and economic?

G. New procedures

1. What new standards, procedures and staff incentives are needed to achieve a rights-base approach to development?

H. Transparent information

1. Should WB require Governments and Companies to disclose info on environmental, social and revenue issues?

5.4. Working Group ‘Government’

This group has identified three priority questions with a set of sub-questions⁴.

1. What are the costs and benefits of extractive industries activities in your country? How can they be optimised?
 - ☞☞How can extractive industries projects ensure that economic, social and environmental benefits are optimised?
2. Identify key success factors/criteria for different countries, situations,...(one model approach won't do).
 - ☞☞How can capacity be improved for better environmental assessment and mitigation of their impacts of extractive industries activities?
 - ☞☞IMF Role has to be examined.
 - ☞☞Under which conditions should WBG be involved?
3. How can the WBG improve the development impact of their activities in extractive industries or alternative opportunities?
 - ☞☞How can extractive industries activities be directed towards the goal of poverty alleviation?
 - ☞☞How do you assert the correct balance between high capital-intensive projects, and lower degrees of mechanization with high unemployment.
 - ☞☞Review incentive framework within WBG.

Following the logic of these questions they lead to the paramount question of: Should the WBG be involved in oil, gas and mining activities?

6. Information Marketplace

The Information Marketplace was an hour of time and space that was organized like a trade fair or a market place where the participants were exhibitors and visitors at the same time. This was an opportunity for participants to exchange information freely about their organizations and activities.

It included market stands on:

- ☞☞Norwegian Case Study on how a country translated richness in resources to development and the benefit to the broader population.
- ☞☞Consultative Group on Artisanal and Small Scale Mining (CASM), a multidonor initiative to address reduce poverty by supporting integrated sustainable development of communities affected by or involved in small-scale mining in developing countries. For further information see www.casmite.org
- ☞☞Oxfam: A report on poverty and mining.
- ☞☞Mine Closure and Social Mitigation project and Petroleum Sector Rehabilitation project in Romania
- ☞☞Institute for Policy Studies: An internet data base on WBG projects in extractive industries.
- ☞☞OED/OEG Evaluation: presentation of their concept and methodology.
- ☞☞WBG: information and documents around oil, gas and mining including environmental and social safeguards and compliance.
- ☞☞World Alliance for Community Health

⁴ A full collection of the questions that were identified by the group can be found in Annex 6.

7. Open Space Sessions

Here the workshop agenda allowed participants to initiate discussion groups. Two sessions were organized ad-hoc. One on the Terms of Reference of the EIR and another one on the role of the WBG in the EIR-process.

7.1 Terms of Reference for the EIR Process

Stephen Kretzmann from the Institute for Policy Studies initiated a discussion group on the Terms of Reference of the EIR. A lot of concerns centred around the content of the TOR, particularly vocally expressed by the representatives of the Civil Society. The group prepared an overview of the conclusions of the discussion and the negotiation process:

“settled”	open issues (dissent)	open issue (consensus)
Biodiversity –issue to be discussed, as needed, <u>in</u> consultation	Beginning Statement in the TOR – inspires distrust? – omit / modify?	Clarify process for selecting -expert groups –focused research
Add. \$ for review –will be sought (industry?)	WBG ‘actively involved’ – as a stakeholder? – what does ‘active’ mean?	Support for EP in form of stakeholder advisors
Participation + Focus is key	Who defines ToR?	Clarify who will write report process
Not replicate general reviews-focus on WB-Role	How to ensure credibility of process?	Clarify how OED / OEG feeds into consultation process
Get translations done! In advance!	Rushed / Hasty process? vs. “Get on with it”	
Ensure differentiated treatment of different sectors	Moratorium vs. have consult. decide	
Do project visits – consult communities	Role of Bank ?? Second the staff ?? Secretariat ?? ToRs ?? Outcome / Recommendations ?? Budget	

7.2 The Role of the World Bank Group in the EIR Process

A second discussion group was initiated by Ina-Marlene Ruthenberg from the Extractive Industries Review Secretariat on the role of the WBG in the Extractive Industries Consultations. Concerns were expressed in the debate, particularly by Civil Society representatives, on what participation of WBG staff means. Clarity on this is important for the Secretariat as it designs the further workshops. It led to the formulation of the following questions:

- ?? The WBG has been treated so far as one of the four ‘stakeholder groups’ (government, civil society, private sector, and WBG). Is this of concern?
- ?? Why should the WBG be considered different to other stakeholder groups? If so, how should it be different?
- ?? Who and how many WBG representatives shall be invited to the Regional Workshops?

The discussion in the group revealed that for some participants the role of the WBG was not clear from the outset, and that its presence was perceived as already heavy. Others argued that if you seek change inside the WBG you need to build trust and ownership of WBG and that listening ought to be both ways. The group suggested that operational WBG staff should be invited as well as decision makers. However, the functions of the different members representing the WBG should be clarified better. The question was raised, who OED (Operations Evaluation Department), OEG (Operations Evaluation Group) and the Ombudsman of IFC/MIGA are and how they relate to the Consultative Review. The discussion concluded with the recommendation to put the right label on the groups and to preferably talk of 'interest groups' rather than 'stakeholder groups'.

Subsequently, the group developed a model that approaches the concept of 'interest group representation' in a more integrated manner by identifying commonality of perspectives rather than 'boxes' based on affiliation to a certain organization. This model would allow the integration of WBG staff participation in the workshop based on what perspective/skill they represent:

Finally, a list was developed on what the WBG should keep in mind when participating in the workshops:

- ☒☒ Good representation: Bank should make sure that at future meetings staff participate that have specific knowledge about the issue to be discussed.
- ☒☒ Listen and understand
- ☒☒ Provide information
- ☒☒ Clarify expectations before coming
- ☒☒ Clarify but not advise
- ☒☒ Not argue defensively or try to persuade others too strongly about individual projects and their achievements.
- ☒☒ Role of the "independents" (OED, OEG, & Ombudsman) should be different: participate as observers

It is important to note that no consensus was reached by all participants concerning this presentation.

8. Selection Criteria for Participants and other Issues around organizing the Regional Consultation Workshops

One working group discussed the issues around organizing the Regional Consultation Workshops. Annex 7 shows the mind map that has been developed during that discussion. Main discussion points included:

Workshop attendance: Regional Consultation Workshop participation should be a combination of openness and by invitation. The process of generating potential participants should be open in the sense of creating a variety of different spaces through active marketing by the Secretariat. Several Civil Society representatives proposed a self selection process. It was recommended to use existing regional groups and associations for these processes. The question of financing for travel and lodging to participate in the workshop was raised. It was commented that the Dr. Salim has a budget that can cover these cost particularly in order to assure that representatives from local communicates can participate.

Marketing: There was broad call for an active marketing with sufficient timing for the Regional Consultation Workshops by the EIR-Secretariat. Proposed measures include announcements as

well as public solicitation. It was advised not to rely too much on electronic communication (e-mail and websites) as local communities do not have access to it. Invitations should be sent by fax so that they can be used to obtain visas.

Process of selecting participants: The emerging consensus of this discussion group was to seek an open process of identifying participants but that participation of the workshop would be by invitation. In selecting the final participants, the Regional Advisor could play an important role.

Budget: A set of questions evolved around issues like: Who gets financed? Financing ought to be equal for regions and be self organized. Furthermore, it was proposed that the funding ought to guarantee travel and lodging cost and that priority ought to be given to communities, NGOs/civil society representatives, and small enterprises.

Other forms of participation: The need to open venues for written comments for people who will not be able to make it to the workshop was noted.

Language: A lot of discussion centered around the language issue. The various background materials should be translated well in advance to give people adequate preparation time. Also, in the workshops there should be simultaneous translation.

Location of workshops: The question came up whether the location should only be in countries with oil, gas and mining projects with the WBG. Furthermore, the issue of experience with different stakeholders on the project level was raised.

Representation: The group recommended that a broad view should be assured. Also it was noted that not all parts of civil society think the same way or are represented by NGOs.

Other relevant issues that were discussed include: Creating spaces for open testimony, transparency, balance within the region, and gender.

In conclusion, there was broad agreement that there should be trust in the Eminent Person and that the 'buck stops with him'.

9. Sector Specific Issues of Oil, Gas and Mining

One working group discussed the question: How can the Regional Workshops best consider sector-specific issues, which was rephrased to: Why should oil, gas and mining be considered differently? It was recommended that the EIR should distinguish between the three sectors as they differ substantially with respect to complexity of commercial, physical, and value chain, which in turn impacts the role of government and the private sector. Specific recommendations were:

1. Make sure that the different issues are considered and these should influence the invitations to the workshops.
2. Invite people with separate knowledge of gas and oil.

The group developed the table below which summarizes the main issues.

ISSUES	OIL	GAS	MINING
EMPLOYMENT CREATION:	Not necessarily	huge differences, <u>but</u> Gas downstream with high impacts / power	More <u>local</u> employment
GLOBAL ENVIRONMENT: (Warming)	(2)	Less (3)	Coal – High greater issue.(1) Mining other (0)
LOCAL ENVIRONMENT:	? Potentially	Low impact ?	Potential High Impact
REVENUE MANAGEMENT:	High returns	medium returns	Lower returns (depends on mineral)
COMMUNITY ISSUES:	Important	Important	Important (More people)
INVESTMENT PATTERN:	Not much (other than “post production”)	difference	
INFRASTRUCTURE / PUBLIC GOOD:	? <i>High Economic</i>	Gas infrastructure beneficial to Regional / Local Community. Government Involvement required. <i>Development</i>	<i>potential</i>
POST-PRODUCTION (e.g. MINE CLOSURE):			High Post Production Costs
COMPLEXITY OF COMMERCIAL / PHYSICAL VALUE / CHAIN		HIGH	

The plenary discussion contributed with a number of comments which were not discussed further. The issues that were raised are:

- ~~///~~ Consider alternatives, such as renewable resources and recycling.
- ~~///~~ Look at the global impact of gas: methane leakage rates.
- ~~///~~ Add an artisanal mining component.
- ~~///~~ Realize the geological risk profiles are different.
- ~~///~~ Look at the WBG role to substitute gas for coal.
- ~~///~~ Look at the development links with land rights and title.
- ~~///~~ Cover different fields with different people.

10. Region-specific Issues: What to do and what to avoid in the Regional Consultation Workshops

Another working group discussed the question how to integrate region specific issues into the workshop. Here is the list of recommendations of what should be done and what should be avoided.

<i>We should do...</i>	<i>We should avoid...</i>
<ol style="list-style-type: none"> 1. Understand what the regional issues are before planning the workshop. 2. Use existing mechanisms of information to identify issues. 3. Workshop should be open to all. 4. Focus on affected communities, representative peoples in regional workshop. 5. Invite appropriate people to present issues. 6. Government (local & central), industry, peoples, communities, Communities groups, NGO and donor organizations should be represented. 7. Equal benefits to all indigenous peoples. 8. Prior consultation + analysis on topics, positions + process. 9. Briefing paper on oil, gas and mining activities and local development. 10. Appoint regional specialists to scope issues. 11. Use regional facilitator with a global outlook. 12. Evaluate existing conditions on EI e.g. environmental impact, social impact, economic, technology, and expectation for sustainable development for EI in the region 13. Implementation mechanisms to carry the process forward over the long term 14. Feedback outcome to communities + register reaction 15. Discuss + agree on use of output (e.g. feed into final report) 	<ol style="list-style-type: none"> 1. Long process discussions 2. Talk shop + speeches 3. Workshop driven by World Bank Group 4. Solving community conflicts 5. Catalogue of 'bad examples' 6. Programs which violate human & social rights! 7. Descriptive country ... 8. Regional experts from outside the region 9. Leaving people out and lack of transparency 10. Culturally inappropriate forms of facilitation

11. Closing Plenary: Aspirations and Hopes – incl. Evaluation

In the closing plenary a number of aspirations and hopes were raised.

- Clarification on the form and process of the Wrap-up workshop.
- What outcome can we expect from the Bank? What are the options for the Bank to operationalize the recommendations?
- The example of a consultative review in Canada on the investment climate was shared with the plenary. Drawing a parallel of the difficulties that the government faced in the process with its role and with providing information. The lessons learned was that it is important to explain and justify things as these questions do not mean to 'co-op the agenda' or force a conclusion. People simply want to know what exactly is going on. It turned out that many of the criticism were leveled with misunderstandings or lack of knowledge on both sides. Once these were overcome both sides were able to agree on the disagreements and then these could be tackled.
- Time is too compressed. Stretching it out by a few more months would make a huge difference in the ability reach out to different stakeholders and interest groups.
- The process leading to Brussels being full of inexplicable actions that tended to demonstrate that the WBG had something to hide. Doubts about the realism that the WBG will distance it self from projects were people suffer with their lives.
- There was concern that over the controversy about specific World Bank projects, the wider influence of the World Bank Group could be overlooked. The WBG had been influential in impacting many (mining) projects other than the ones that it financed directly, in for example, helping set standards.
- Having learned that the Bank is only funding 2-3% of all oil and gas projects the question is why doesn't the industry fund this small share? What is the Bank's value added and what would be thrown away if that 23% were no longer executed? Let's look very closely at this 2-3%.
- Too little discussion about the impact of the sectors on climate change and how this affects small island states.
- Recommendation to carefully design and adapt the facilitation methodology for the Regional Workshops in order to ensure participation of indigenous and other communities leaders.
- Expressed hope to get out of the consultations a set of recommendations from Dr. Salim, which are actionable and which can be put to work to change the way the Bank does its business.
- Shared with the plenary that in his country he has seen a lot of positive work with the WBG in the areas of mining policies, laws, capacity building etc. and he does not want to see all this written off as being bad.

Evaluation: An evaluation was done by the participants on a voluntary basis after the official closing of the workshop. Although only 50% of the participants gave their votes, a clear positive tendency can be observed mixed with still existing doubts and fears from these voters.

My expectations for this workshop are fulfilled	
++	5
+	11
-	7
--	1
The process in this workshop was useful for me:	
++	3
+	15
-	6
--	0
<i>I think we are on a good way:</i>	
++	2
+	17
-	5
--	0

12. Concluding Remarks by Prof. Dr. Emil Salim⁵

A process with inherent conflict needs to build trust: Dr. Salim remarked that in the Extractive Industries Review process, some completely opposing views were clashing: some stakeholders want the World Bank Group to get out of the extractive industries altogether, others believe they have a positive role to play. The review therefore has a conflict problem. This required a workshop that discussed process over substance, because “how can you go to the substance if there are two opposing groups who have different ideas, but have not yet had the opportunity to discuss these ideas”. This is why the Planning Workshop’s main purpose was to build trust between the different stakeholder groups.

Interest based conflict resolution - understanding the reasons behind the opinions: The approach that best deals with conflict situations of this type is not a negotiation between the groups, but a kind of “interest based conflict resolution”. Dr. Salim suggested that it was important to express the reasons behind each opinion, which needed to be understood by the other side. In doing this people may need to bang the fist on the table, and that is good, if there is no conflict in the meetings, if people don’t speak up, “then there is something wrong. Then it will explode outside the meeting hall”. Dr. Salim expressed his gratitude to the facilitators for having enabled this crucial exchange.

Dr. Salim calls on participants to move forward now and stay involved: Dr. Salim encouraged the workshop participants to now move forward. He reminded everyone that in the end, they all had the same goal in mind: “We are all committed to sustainable development (...) Second, we are all committed to poverty eradication. By having the same goal, I feel that can be the integrating factor that can put us together in the cooperative spirit.” He expressed his wish that the participants stay involved. “I really rely on you. You were here, you know the spirit, you know what is at stake.” Together they can walk the long walk that in the end should produce a case that makes a real difference to how the World Bank Group operates.

⁵ See Annex 8 for a transcript of the closing remarks.

Annex 1

The Extractive Industries Review (EIR)
Planning Workshop
Brussels,
Belgium, October 29 - 30, 2001

All events take place at the Metropole Hotel

Sunday, October 28th

18.00 – 19.00 Welcome Reception - *Hall du Bar (Ground Floor)*

19.00 – 23.00 Welcome Dinner hosted by Prof. Dr. Emil Salim – *Salon Arthur Rubenstein (Ground Floor)*.

Monday, October 29th

09.00 – 10.45 **Introduction** - *Salon Langevin (1st floor – Lift A)*.

1. Welcome by Prof. Dr. Emil Salim, including introduction of the EIR Secretariat and workshop facilitators. (10 minutes)
2. Why the Extractive Industries Review? Ideas about a process with results. Mr. Bernard Salome of the EIR-Secretariat. (15 minutes)
3. Objectives, expected results and methodology of the workshop. Mr. Dirk Jung, Facilitator from Denkmodell (10 minutes)
4. Questions and Answers (15 minutes)
5. Who are the participants? Where do they come from and who do they represent. (25 minutes)
6. Basics on the World Bank, its structure, instruments and processes. Ms. Monika Weber-Fahr and Mr. Clive Armstrong (20 minutes + 10 minutes questions)

10.45 – 11.15 Coffee Break - *Salon Bourgmestres (2nd Floor – Lift B)*

11.15 – 12.45 **Break out groups**: Identify questions that should be discussed during the Regional workshops in Eastern Europe/Central Asia, Latin America/Caribbean, Asia/Pacific and Africa. Each participant is asked to join one of the four groups:

1. Civil Society (Ms. Sybil Duemchen) - *Break-out room 1 (Einstein, 1st floor – lift A)*
2. Government (Ms. Ina-Marlene Ruthenberg) - *Break-out room 2 (Marie-Curie, 1st floor – Lift A)*
3. Business (Mr. Ulrich Erhardt) - *Break-out room 3 (Caruso, 6th floor – Lift B)*
4. World Bank Group (Mr. Dirk Jung) - *Break-out room 4 (Jean-Marais 6th floor – Lift B)*.

In a moderated discussion each group will develop and "filter" 3 central and guiding questions that its members consider essential to be explored during

the regional workshops.

Methodology: For consistency purposes all regional workshops should deal with comparable questions. This has to be carefully balanced with the need to be region-specific. Given the limited time of three days per regional workshop, it is important to set a clear focus on selected issues and topics. The objective of this working step is to develop a list of 12 questions that participants recommend for the 4 regional workshops reflecting the different stakeholder perspectives.

12.45 – 14.00 Lunch - Salon Bourgmestres (2nd floor – lift A)

14.00 – 15.30 **Plenary:** Presentation of results of group discussions to Prof. Dr. Emil Salim and the EIR Team – Salon Langevin (1st floor – Lift A)

Methodology:

The 12 priority questions (3 questions x 4 groups) will be presented and discussed in the plenary. Consensus and differences among the groups will be explained. All questions will be accepted and considered for the design of the regional workshops.

15.30 – 16.00 Coffee Break - Salon Bourgemestres (2nd floor – Lift A)

16.00 – 18.00 **Information Marketplace** – Salon Langevine (1st floor – Lift A)

This event will be organized like a trade fair or a market-place where participants can be exhibitors and visitors at the same time. This is an opportunity to exchange information freely about their organizations and activities.

Methodology:

The objective of this working step is to provide organized space for stakeholder representatives to showcase information they bring to the process. This can be information material, studies, documentaries, posters, or simply cards put at the pinboard.

19.30 Cocktails and Dinner - Salon Bourgmestres (2nd floor – Lift A)

Tuesday, October 30th

09.00 – 10.30 **Breakout Groups:** How to organize the EIR process?

Proposed topics are:

1. How can we assure credibility and relevance of the EIR process?(Dwhat to do or not) - Break-out room 1 (Einstein, 1st floor – Lift A)
2. Selection criteria for participants of the regional workshops – Break-out room 2 (Marie-Curie, 1st floor – Lift A)
3. Special issues and concerns voiced during the workshop - Break-out room 3 (Caruso, 6th floor – Lift B)

10.30 – 11.00 Coffee Break - Bar Excelsior (Basement)

11.00 – 12.30 **Plenary:** Presentation of group results to Prof. Dr. Emil Salim and the EIR Team - Salon Ambassadeur (Basement)

12.30 – 14.00 Lunch - *Salon Arthur Rubinstein (Ground Floor)*

- 14.00 – 15.30
1. Shall we organize special preparation workshops for Community Based Organizations for each Regional Workshop?
 2. Space for lingering questions.
 3. Concluding remarks by Prof. Dr. Emil Salim.

Annex 2

**Planning Workshop Brussels,
Belgium, October 29-30, 2001
Participants**

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Annex 3

Transcript of Prof. Dr. Salim's welcome speech

Emil Salim:

Good morning ladies and gentlemen. I was currently asked by the World Bank to conduct an extractive industries review. Based on that, they asked me whether I am willing to do the job. In that discussion I asked him for five points.

Point one is independence: that I am fully independent to do my job as I think would be well do to do. Now I am working at independence in terms of budget. So, in this meeting we will have a discussion with the World Bank leadership on exactly how much (this I don't know yet) and for what the budget will be allocated. The amount is 1,5 million dollars from the World Bank, 1.5 million dollars from the North Region and 0.1 million from Germany. The total is 3.1 million dollars. So, I am working today with a friend from the World Bank on the allocation of the budget. But I feel that independence requires an independent management of the budget, free from the World Bank So, allocation of resources by the World Bank is point one. Independence is also required from how to do the work, regional consultation, the work that is being done, where it will be done, who will be doing this, that must be free from the World Bank determination or judgement. So, the first principle is independence.

And then the second principle comes that independence will be achieved if there is trust. So, I asked the World Bank to trust me as well as I trust them, but in that trust, it is also important that in my job of doing this review I must have the trust from the business, from the civil society and from the governments. So, it is important for the group that the World Bank Group trusts me in this job, that the business trusts me, that I am not tending to kill the business, certainly that I am not ignoring the civil society, that I am trying to articulate the civil society's interest and that I am also taking into account the interest of the governments, where the activity of development takes place. So, trust is the base. If there is no trust in me, then forget about it, then I better pack my bags and leave the job.

My third point is, that to have that trust, inclusiveness is important. All four must participate on equal basis. It does not mean that the business is more important than the Civil Society, or that the World Bank is more important than the government. All must have an equal opportunity to join and I want equal opportunity from all, meaning inclusiveness in this deliberation. It is this as a background, why this meeting consists of four groups: the business, the civil society, the World Bank Group and the government. Maybe the quantity representation may not be equal but it is the quality that I want, and therefore in the matter of conducting the job, I asked for a planning workshop first and in conducting the planning workshop, it will be one in which everyone is on an equal basis. So, that was the other principle. Trust and inclusiveness and that everyone joined together to help me in trying to map out how to move forward in this review.

There is a need for a bottom-up approach regional consultation. It is not a show. I don't want a show. I hate shows. I want to know where should be the difference is policy in Latin America, compared with Africa, compared with Central Asia, and Asia itself. So, we must know what is the unique thing, what is the proper emphasis on the policy, why is the mining project being developed and yet poverty increases. Why is the mining project being developed and yet the environment has been deteriorated. What is wrong in the way the development is taking place? And we need to be frank about this not hiding behind, that we are doing well, development is good and so on. I want to look forward. I don't want to look backward.

I want that in the 21st century, if the World Bank is opening in this field, that the goal is to develop on a sustainable basis, economic sustainability, social sustainability, as well as environmental sustainability. Economic sustainability means that the mining sector, oil and gas should not create a yoyo economy, so that this economy goes up and down, up and down, and therefore killing those specifically weak. Second it must be socially sustainable, that means that there must not be a reason, that because of this development the population is pushed out, marginalized, that you kill the spiritual, cultural environment of the social community where this activity is being done. And third it must be environmentally sustainable. Mining, oil and gas are non-renewable, depletable resources so at the end of the road, when all these resources will be depleted, what is left over for those after the phase of depletion has taken place? Therefore, sustainable development is important. Therefore a long-term perspective is important.

Fourth is honesty; I want to be honest and I like that we are based on honesty. Therefore, I would like to have direct access to the President and also to the Board of Executive Directors. I want to be clear cut, and not talk behind me. We should be clear cut about what needs to be improved and why it needs to be improved. If it can be done simply with the management, then good. If not, I would like to have direct access to the President and also an opportunity to meet the Board of Executive Directors. And therefore, when the report is being submitted, and the management will accept or not accept the report, then I want to have the opportunity to comment on that report, so that you and I will know where I succeeded and where I failed.

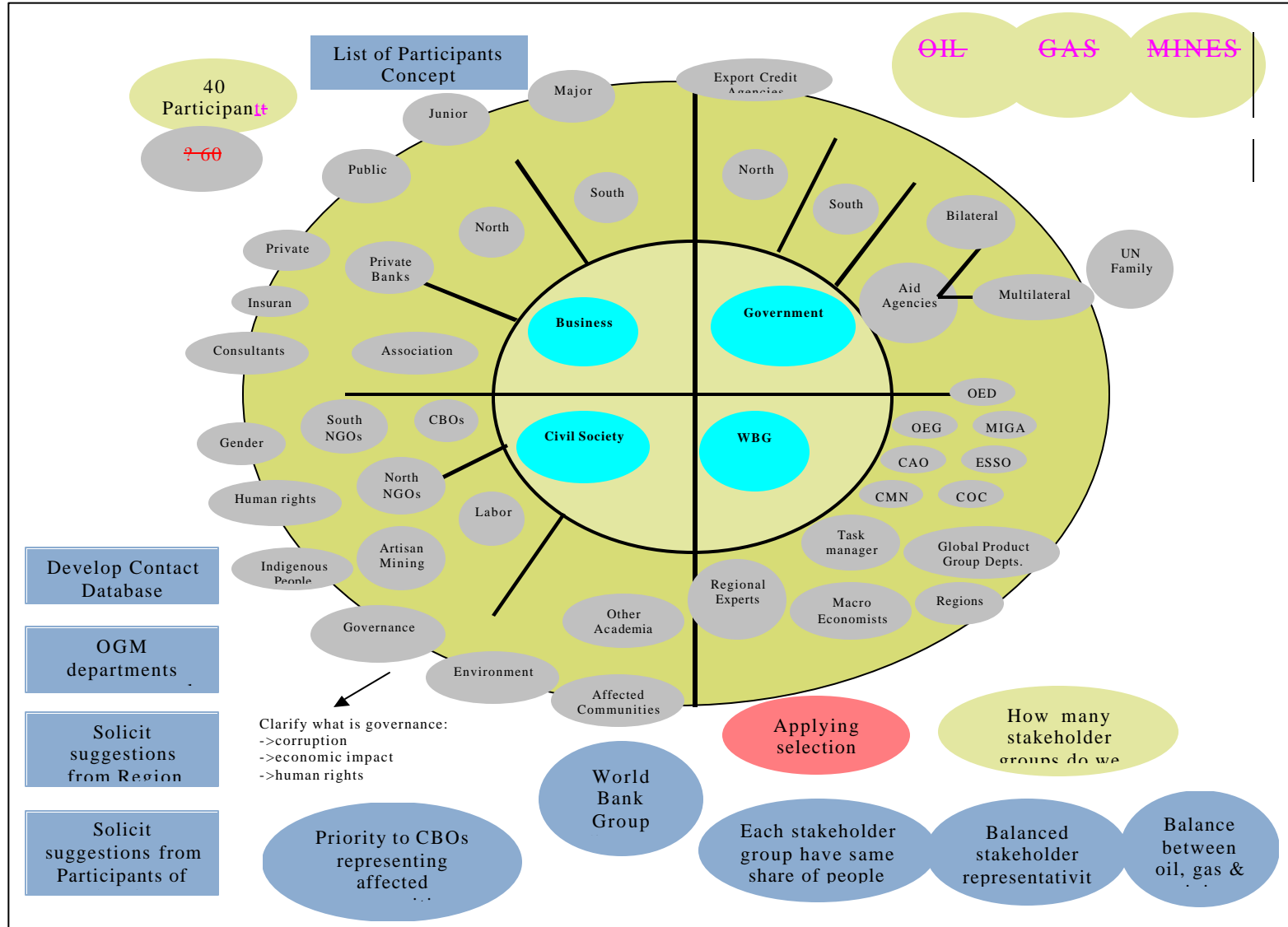
The fifth principle is transparency. I will be open to you, open to the civil society, open to all and therefore we have opened a website, because transparency is the key of knowing what should and what must be done. These are the principles that I have submitted to the office. I am happy to say that he agrees. But of course, when you agree, by saying so, you still have to work hard in implementing it, in the World Bank management group, in the IFC, in the business and in the civil society. So, here I stand at the beginning of the line, when we are doing the Extractive Industries Review, as mining, oil and gas.

Of course, there is always the question, why are we doing it? Because in all the deliberation, we have documentation on climate change, forests, seas but under the ground we have nothing. There are a lot of studies but there is no agreement between governments. How can we save the depletable resource for future generations? So, I see a big hole in this field. A lot of studies have been done, book reports are available, but

where are the documents in which the government is tied up in the convention on this? What are the obligations of the government in managing resources that are depletable, so that the future generations are not worse off because of depletable resources? So, we are at the road of trying to put extractive industries on the road of sustainable development. I don't know yet how, what will be the outcome. I am an economist and I don't know a damn about mining, I don't know anything about oil and gas. I am by training an economist. And therefore, I need your help. The help of all business, civil society, governments, experts, World Bank Group so that the strategy, the orientation, so that the approach is inclusiveness, open, transparent. Shall there be disagreement, okay let there be disagreement. But let's make clear what we disagree about and how to overcome the disagreement. Therefore I ask for your help, this is a Planning Workshop and I invite all of you to participate, I start with a blank page, I don't know what to do tomorrow and you will determine that. Thank you. May God bless you!

Annex 4

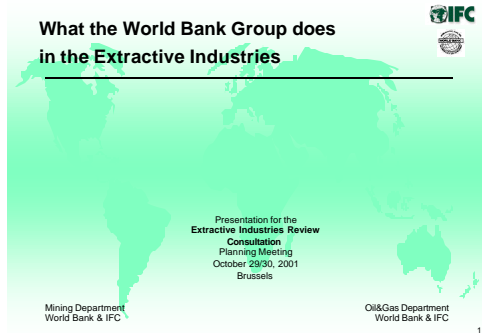
The Stakeholder Universe



Annex 5

Monika Weber-Fahr's Power Point Presentation

What the World Bank Group does in the Extractive Industries



Mining Department
 World Bank & IFC

Oil&Gas Department
 World Bank & IFC

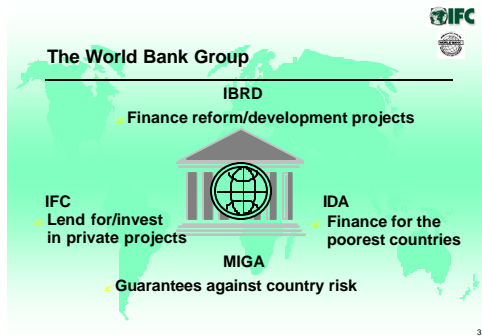
Presentation for the
Extractive Industries Review
 Consultation
 Planning Meeting
 October 29/30, 2001
 Brussels

World Bank Group – Involvement in the Sector



- World Bank Group – Involvement in the Sector
- Involvement in the Sector in numbers
- Questions and Answers

The World Bank Group



IBRD
 Finance reform/development projects

IFC
 Lend for/invest in private projects

IDA
 Finance for the poorest countries

MIGA
 Guarantees against country risk

Mission Statement

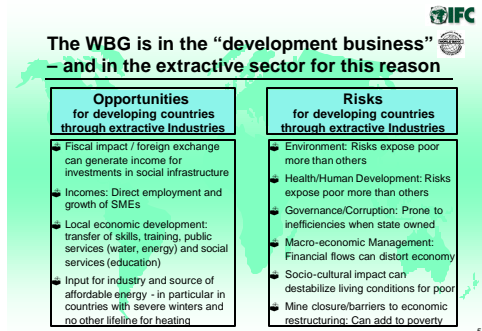


World Bank Group
 ... to fight poverty with passion and professionalism for lasting results

IFC
 ... to promote private sector investment in developing countries which will reduce poverty and improve people's lives

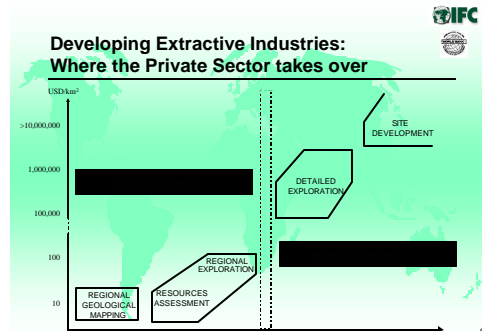
MIGA
 ... to promote foreign direct investment into emerging economies to improve people's lives and reduce poverty

The WBG is in the "development business" – and in the extractive sector for this reason



Opportunities for developing countries through extractive Industries	Risks for developing countries through extractive Industries
<ul style="list-style-type: none"> Fiscal impact / foreign exchange can generate income for investments in social infrastructure Incomes: Direct employment and growth of SMEs Local economic development: transfer of skills, training, public services (water, energy) and social services (education) Input for industry and source of affordable energy - in particular in countries with severe winters and no other lifeline for heating 	<ul style="list-style-type: none"> Environment: Risks expose poor more than others Health/Human Development: Risks expose poor more than others Governance/Corruption: Prone to inefficiencies when state owned Macro-economic Management: Financial flows can distort economy Socio-cultural impact can destabilize living conditions for poor Mine closure/barriers to economic restructuring; Can add to poverty

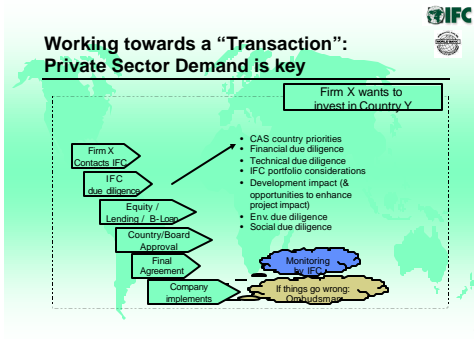
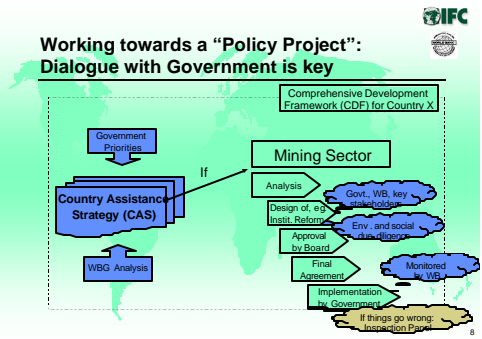
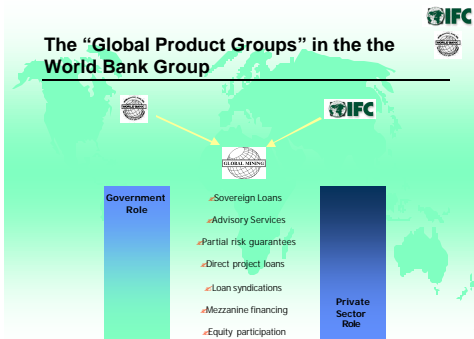
Developing Extractive Industries: Where the Private Sector takes over



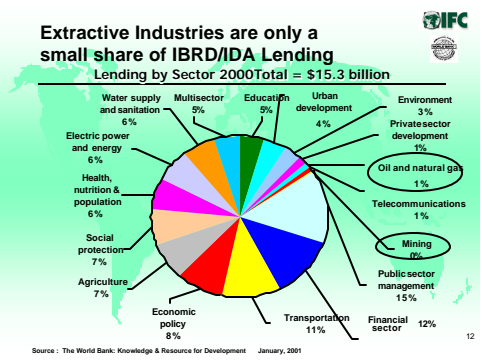
USD/km²

-10,000,000
 1,000,000
 100,000
 100
 10

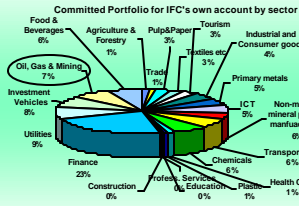
REGIONAL GEOLOGICAL MAPPING
 RESOURCES ASSESSMENT
 REGIONAL EXPLORATION
 DETAILED EXPLORATION
 SITE DEVELOPMENT



- ### World Bank Group – Involvement in the Sector
- World Bank Group – Involvement in the Sector
 - Involvement in the Sector in numbers
 - Questions & Answers

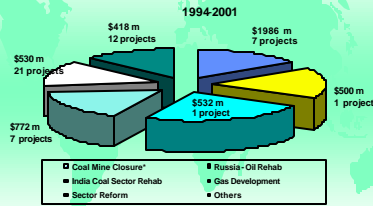


... and make up about 7% of IFC's committed portfolio



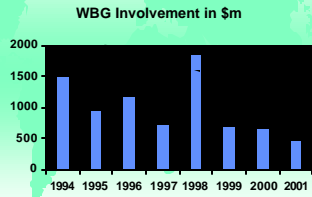
Total: \$14.321 billion (FY2001)
(for IFC's own account; in addition; \$7.530 billion committed for others)

While a small number of large projects influenced the overall program of IDA/IBRD ...

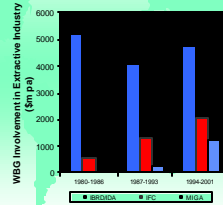


* Mine Closure projects in Russia, Ukraine, Poland, Romania

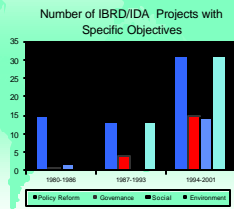
... WBG involvement in the sectors changed much over the past seven years ...



... while involvement of private sector activities increased over time ...



.. and project objectives of IBRD/IDA projects evolved



- World Bank Group – Involvement in the Sector
- Involvement in the Sector in numbers
- Questions and Answers

www.worldbank.org/mining
www.ifc.org/mining

www.worldbank.org/gc
www.ifc.org/gc

Annex 6

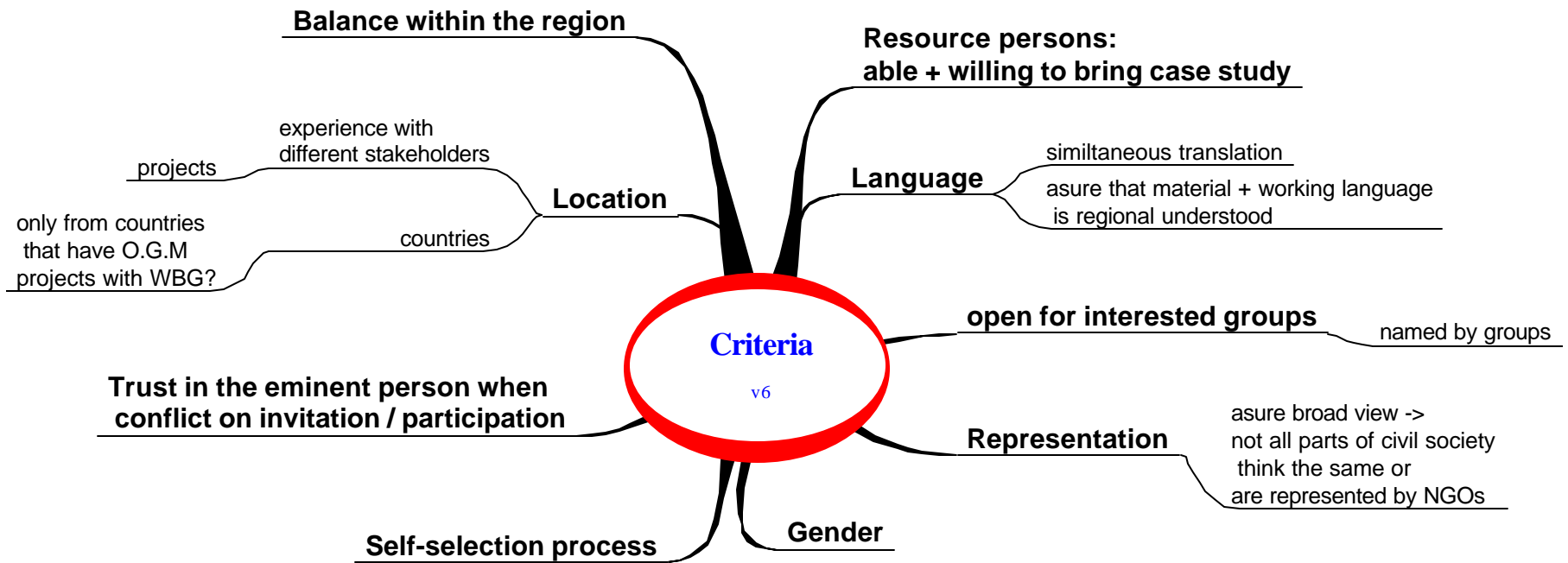
Complete list of questions identified by the group 'Business'

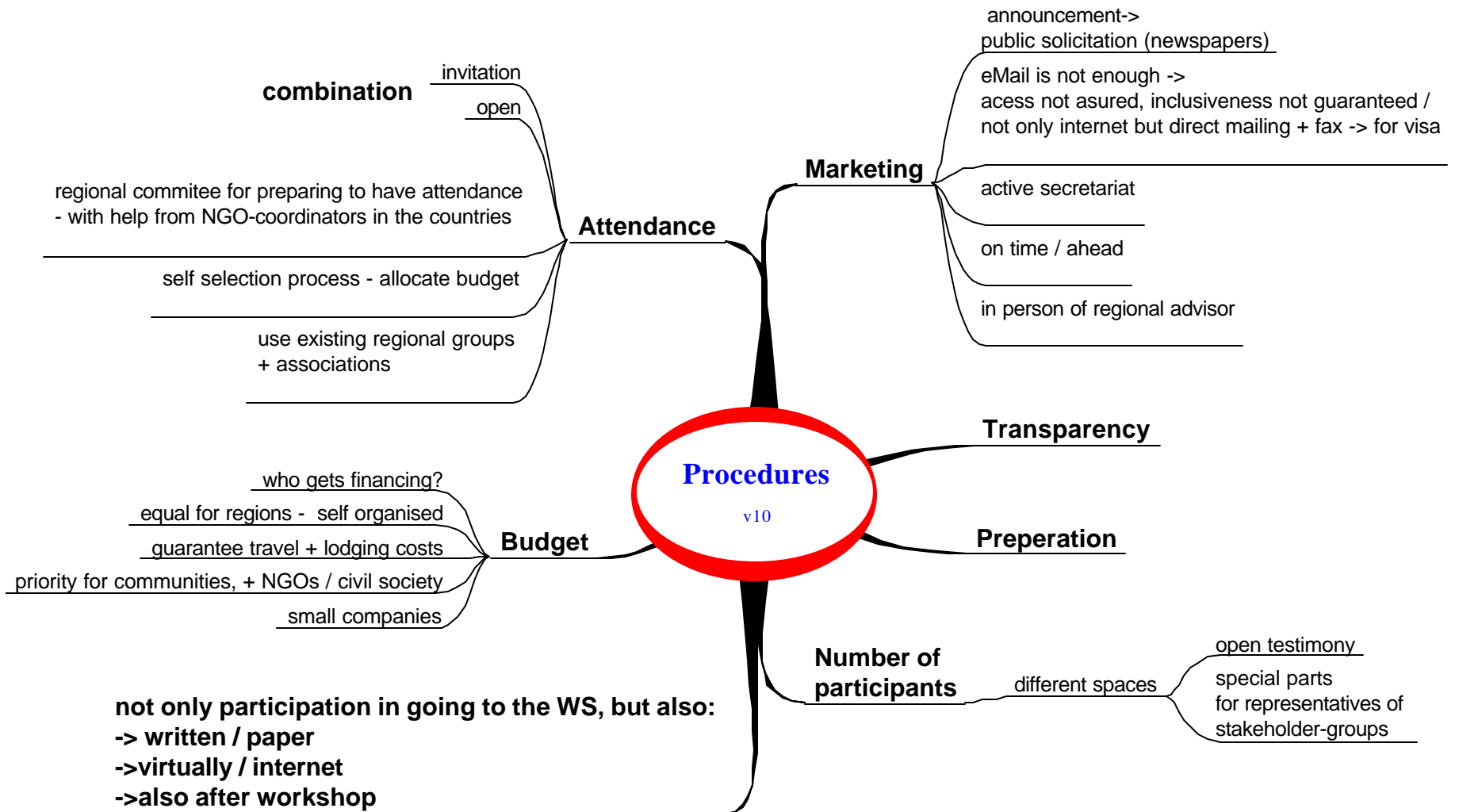
- 1) How can the WBG in its project assessments ensure or promote a more effective engagement between companies & civil society
- 2) How could the WBG integrate the efforts of government, industry and civil society to better use the benefits of extracting industry in order to meet the objectives of sustainable development?
- 3) How can the WBG be more responsive to the development needs of its client countries and its citizens?
- 4) How could WBG investments in extractive sector be structured in order to improve their contribution to sustainable development (i.e. governance / capacity)?
- 5) What conditions are necessary for Community Based Organizations and NGOs to engage in partnerships with oil, gas and mining companies
- 6) Given that past performance by industry and WBG demonstrate many shortcomings and little guidance for future practices, the question is how can we move forward on the basis of theories of Sustainable Development in oil, gas and mining with a spirit of experimentation?
- 7) What would be the consequences of WBG withdrawal from the Extractive Industries for your region?
- 8) Should involvement of the WBG in any oil, gas and mining project be subject to that project conforming to explicit, comprehensive standards to Sustainable Development? If so, how should those standards be developed? Monitored? Enforced?
- 9) What can the WBG policies and directives do so that the income produced by exploitation becomes a direct benefit for local communities?
- 10) How can WBG design a project assessment framework that demonstrates a "net benefit" towards Sustainable Development?
- 11) How to involve local development tools – formation, incubation (?) into the restructuration (?) of mining companies in Eastern Europe??
- 12) How can the WBG help to convert extractive resource wealth into local and regional sustainable wealth in developing countries?
- 13) What can the WBG do to improve Sustainable Development of the sectors in the region?
- 14) How can the WBG promote a better project assessment and Sustainable Development framework?
- 15) What are the differential features of investment and impacts of Oil, Gas, Mining? Should they be considered together?
- 16) Would withdrawal of WBG support exclude certain countries from exploiting their natural resources? Is this equitable?
- 17) What are major (a) positive and (b) negative contributions that extractives industries have made in your region, country and communities?
- 18) How can the WBG act to improve Sustainable Development performance of the sector? Standards? Local communities and governmental engagement? Free zone?
- 19) How are good standards and guidelines to be developed / defined?
- 20) What are the specific, regional priorities for Sustainable Development? Action by the WBG?
- 21) What will be the consequences if the projects in your region are stopped?

Complete list of questions identified by the group 'Government'

1. What would have happened without WBG projects?
2. How could WBG extractive industries money have been better spent?
3. What are the specific errors made by WBG in resource projects?
4. How could WBG have carried out projects in a different, but improved, way?
5. How to ensure a) good governance b) openness and transparency in the extractive industry?
6. What can be done to facilitate a balanced participation of stakeholders?
7. Extractive Industries Project selection – What can be done to equitable choices (Sustainable Development)?
8. What can be done for the Extractive Industries Review to make a difference? Aid better spent
9. What is the economic, social & environmental impact of WBG projects?
10. How to integrate small-scale mining into the extractive sector?
11. How to make extractive industry companies more pro-active in environment management + Sustainable Development issues?
12. How can capacity be improved for better environmental assessment and mitigation of other impacts?
13. What is the purpose of mineral & petroleum resource exploitation in your country?
14. Do we think Extractive Industries will give the revenue compared to the environmental and social impact?
15. How to ensure sound and 'equitable' mine closure / transfer of rights?
16. Should existing WBG guidelines be changed?
17. How to ensure social and environmental sustainability of the extractive sector?
18. Business – what are their needs in term of assistance, funds, etc.?
19. Should mining/oil-gas projects be allowed to be financed even if World Bank Group is not involved? How?
20. Civil society – what are the alternatives to deal with their specific problems without WBG assistance?
21. Government – what is the contribution of WBG projects in the extractive industry?

'Mindmap' of Section 8





Annex 8

Transcript of Prof. Dr. Salim's closing remarks

Emil Salim:

When the assignment was given to me, I received letters. Many letters told me to get the World Bank out of extractive industries. Clear-cut. No Go. Out. On the other hand, you noticed the Terms of Reference the first sentence was: The World Bank sees a role, a positive role, to improve extractive industries effort in development. So, you have on the one hand, Get the World Bank Out and on the other, World Bank In.

What does it mean? We are moving into a conflict problem, conflict issue. The question that arises is how do you develop a kind of trust? This model with which we invite Mr. Dirk Jung, Sybil and Ulrich to organize this kind of discussion was actually to lay down the base for developing the trust between people who want to kick the World Bank out or the other group that wants to keep the World Bank in. So the main purpose was trust building. The main purpose was to get the possibility of a process in which the trust building can be developed. That was then one of the main purposes. Of course, the disadvantage is that you don't go to the substance of the issue. As you notice we emphasize the process, because how can you go to the substance, if there are two opposing groups who have different ideas, but don't have yet the opportunity to discuss these ideas. That is why the logic was, let's develop trust, let's develop process. That is point one.

Then what is the purpose, what is the approach. The approach is not negotiation between A and B. The process is how to have a kind of interest based conflict resolution. You see the major thing I have learned in a nation full of conflict is find out the driving force. Why is A against B or B against A - the driving force. We are taught to develop the interest based conflict resolution. Behind the idea of those who want the World Bank out of this there is a reason. What is that reason? That reason must be understood by the World Bank. On the other hand when the World Bank wants to be still in the extractive industries, that reason must also be understood by the others. Now that is the interest based approach of conflict resolution. In a way that is the spirit and the Denkmodell of Dirk Jung. We ask a lot of him. We will meet a group that is violent against each other, so I was not surprised on the first day when we had a debate and I welcomed that debate, because in Indonesia, if people do not talk while they have a disagreement then there is something wrong. Then it will explode outside the meeting hall. That is why it is necessary to speak up, to bang your fist on the table, to shout, because everybody then knows where is the difference. Amy's role is to bang her fist on the table. She may be annoying, but that is the way she is. Basically the idea is to find out the driving force that allows A to have the position and B the other position. I am thankful for the Denkmodell the organization was beneficial to create a process that makes this possible.

From here we move forward. The road is long, the budget is short, and the time given also short. The desire, ideally, I would love more time and a bigger budget. Life is not ideal, so you go with what you have. We have to continue our work, but if I see the result, the quality of the product will be negatively affected by time factor, by budget, of

course I will tell the World Bank, we are able to fulfill this, but you will have a second-class result. Let's see what we can do, let's move forward first and show what we can achieve. In that context, I really rely on you. You have been here, you know the spirit, you know what is at stake. I, therefore, invite you not to stop at this meeting only. Let's continue this dialogue through email, through fax, through whatever and tell us how to improve this process, so the deliberation that will follow will be much more helpful and useful.

In the end all of us, whether pro or con the World Bank, I feel all of us have the same goal in mind. That is we all are committed to sustainable development: A development with environmental concentration, a development with social concentration, a development that uplifts the quality of life of the people. Second, we are all committed to poverty eradication. By having the same goal, I feel that can be the integrating factor that can put us together in the cooperative spirit. That is my wish and my hope. Therefore let me invite you to join our effort in this long march from here to the various regional consultation meetings, and at the end we knock at the door ...and we present a case that makes the difference of how the World Bank should operate. So we are not making a dissertation, not a paper that is put in the garbage can, but we make all efforts that the ideas that we propose will be accepted. Therefore that strategy must be developed, but with your help and assistance, I am confident we can reach that goal. Thank you. May God bless you.