Learning Alliance Highlights

Learning Alliance on Extractive Industries
Summary

ELLA
Evidence and lessons
from Latin America

Participants gained knowledge of a range of Latin American experiences of policy and practice that promote responsible investments in extractive industries, to examine the potential for application in their own country contexts.

EXTRACTIVE INDUSTRIES: ACHIEVING RESPONSIBLE INVESTMENTS

SUMMARY

The Learning Alliance on Extractive Industries (LEA 1) looked at the ways in which Latin American (LA) countries plan and implement extractive industry investments from social, political and environmental perspectives. It also identified good practices and lessons in environmental protection and mitigation, social conflict management and extractive rent distribution.

LEA 1 lasted from March until November 2012, and was run as part of the DFID funded programme "Evidence and Lessons from Latin America". It consisted of online exchange and learning activities addressed to pre-selected experts from Africa, Asia and Latin America. The moderation of this Learning Alliance was conducted by Gerardo Damonte with support from Manuel Glave, both senior researchers at GRADE, a leading research institution based in Lima, Peru. The overall goal was for participants to gain knowledge of LA policies and practices that promote responsible investments in the extractive industry and which could be applied in other countries/contexts.

The Learning Alliance was structured in three thematic modules designed to reflect participants' interests. They were:

M1	Land Use Planning and Access
M2	Environmental Protection and Mitigation in Extractive Industry Projects
M3	Preventing and Addressing Social Conflicts in the Extractive Industries

The online debate was based around 35 documents, including interviews conducted especially for the LEA and selected external publications. The Moderator also referred participants to ELLA knowledge publications related to the weekly themes. Most of the documents describe policy experiences and case studies from Latin America that were collectively analysed by the group. Participants were invited to review and discuss the information provided and to share examples and raise issues from their own countries.

The Learning Alliance Highlight documents provide a synthesis of the points of view expressed by contributors and the two moderators, with links to publications and interviews prepared for and/or shared during this exchange, as well as brief concluding remarks by the moderators. The names of the contributors are highlighted in bold for easy reference. Our thanks go to the contributing experts and to all the people who took part in the online debate.

Moderator's Key Conclusions

- We have learned that several different land tenure systems exist in Africa and Asia, and in some countries property and/or land use rights are vague and are not recognised by local populations. Thus, a priority for public policy in these regions is the development of clear and legitimate **land tenure systems**. In Latin America, most countries have established two kinds of land right: property rights (individual or collective) and territorial rights (reserved for indigenous communities).

- In Latin America, the market regulates most **land transactions**, while compensation methods are proposed by states and private companies. Latin American experience has shown that greater state and civil society involvement contributes to more effective land use regulation in the context of extractive projects. This leads us to conclude that in any context a participatory and transparent mechanism, such as consultation, is necessary in order to contribute to consensus building over extractive industry land use.

- We have discussed the best way to implement **environmental management**. Most participants agreed that a public-private scheme with strong civil society participation would work better than either state or private sector-led models. Drawing on Latin American experience, as well as contributions from participants, we can identify three critical components to a successful environmental management system in any country. They are: i) an independent state environment agency with adequate technical capacity to lead (regulate and supervise) the system; ii) private sector participation, particarly technical support; iii) participation mechanisms to ensure civil society involvement and public oversight.

- In Africa and Asia, **conflicts** seem to be mostly associated with the impacts of extractive industries on indigenous people's livelihoods, environmental degradation and poor working conditions. From the online discussions, we identified that there is also a relationship between high value natural resources and civil conflicts. Latin America has faced similar scenarios and the main mechanism developed to deal with these conflicts has been consultation processes. Certain conditions have facilitated these consultations, in particular granting of territorial and land rights has empowered local communities involved in extractive projects.

- We have learned from participant contributions that states are not institutionalised, democratic or transparent enough to carry out adequate consultation processes or monitor outcomes. What can be done in such cases? Strengthening civil society or private company-led consultations may be the answer (see the ELLA Brief: Managing Conflict Through Consultation: Latin America's Experience). However, Latin American experience shows that without state endorsement, private sector-led consultations can suffer from a lack of independent monitoring, while civil society-led processes are often regarded as more of a demonstration than a **conflict management mechanism**.

CONTACT GRADE

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FIND OUT MORE FROM ELLA

To learn more about Latin America's extractive industries, visit the ELLA website, which has a full list of the knowledge materials available on this topic. To learn more about other development issues, browse other ELLA Themes.

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Grupo de Análisis para el Desarrollo

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