



Activity brief (December 2014)

Minerals Sector Capacity Building – Strengthening the Ethiopian Regulatory Bodies

1 July 2013 – 30 June 2014



Background: University of Sydney and the Ethiopian Ministry of Mines worked in partnership to develop the project to ensure that assistance was delivered effectively, and had a measurable impact on resource governance, building resource sustainability and enabling resource development. Since 2008, the university's Graduate School of Government (GSG) has delivered programs in extractive industries management throughout more than 20 African countries. More than 100 African participants have undertaken these programs, including participants from Ethiopia.

Objective: The purpose of this project was to strengthen the capacity of the Ministry of Mines and other key government stakeholders for improved extractive industries governance, particularly in the area of mining tax, financial regulation of revenue flows, and contract negotiation and management.

Activity description: The project supported the objectives of the Ethiopian Government to build its institutional capacity to achieve sustainable development of the Ethiopian mining sector as a means of national economic growth. A needs analysis was conducted with the Ministry of Mines to help develop the project.

The project, delivered by the University of Sydney in partnership with the Ethiopian Government, improved the capacity of key government agencies in sustainable management of extractive industries through human resource development and skills transfer.

Training was delivered to 15 senior and mid-career participants from the Ministry of Mines, Ministry of Finance and Economic Development, the Ethiopian Revenue and Customs Authority, the Steering Committee for EITI and the Environment and Community Development Unit of the Ministry of Mines. Training modules were delivered by leading academics in governance and taxation from the University of Sydney with input from Australian and African partners, and input from practitioners from government and industry. Industry practitioners provided practical knowledge on negotiating contracts and industry specific management topics. The course promoted a clear understanding of the development and implementation of mining taxation and regulatory

frameworks through short-term training, development of post-course implementation plans, professional development and interaction with Australian academic experts.

Sector: Extractives

Outcomes:

- Improved knowledge and skills of key government staff in the area of robust tax instruments, mining contracts, contract negotiation and transparent and sustainable management practices in the industry.
- Improved capacity of relevant ministries, authorities and committees to negotiate and monitor exploration and mining contracts that contribute to sustainable management of revenue flows.
- Improved capacity to develop strategies to manage issues.
- Identification of further opportunities for knowledge transfer in extractive industries governance and sustainable revenue flows from mining operations.
- Contribution to changes in behavior by many participants who have begun to implement new practices in the workplace, particularly those relating to knowledge transfer with respect to taxation issues, more equitable distribution of benefits to women, and greater prominence given to environmental concerns.

An unexpected outcome was that the second module led to the Extractive Industries Transparency Initiative (EITI) branches in Ethiopia and Liberia forming a close working relationship. At the time of the workshop, Ethiopia had been refused entry to the EITI, and so the University invited the Head of the Liberian EITI (often held up as the African EITI success story) to present at the workshop. Members of the Liberian EITI and Ethiopian EITI formed professional relationships at the workshop, and subsequently continued contact thereafter. University of Sydney personnel witnessed the value of this relationship when they visited Monrovia in November 2013 to meet with an EITI delegation that included representatives from Ethiopia. In March 2014, with strong support from Liberia, Ethiopia was finally admitted to the EITI.

Participating country: Ethiopia

Date approved:	11/6/2013
Implementation partners:	University of Sydney and the Ethiopian Ministry of Mines
Total cost:	AUD 373 780