LOCAL CONTENT ENHANCING INITIATIVES IN MINERALS EXPORTING COUNTRIES

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OECD: Who we are

The OECD is an international, inter-governmental organisation based in Paris with 35 member countries that provides independent analysis, regulatory instruments and a forum for policy dialogue and coordination of public policies.

OECD countries promote policies that will improve the economic and social well-being of people around the world through co-operation, sharing information and ideas that work and mutual advice and peer review.
OECD study: 10 minerals-rich countries
Development of local capacity: aims and objectives

- Development of upstream supply chains
- Workforce development
- Transfer of technology
- Research and development and innovation
Some countries impose mandatory, quantitative targets but there are risks:

- Increased production costs of ores and concentrates
- Risks of breeding inefficiencies
- Difficulties of “picking winners”
- Economy-wide effects throughout the supply chain
- Potential for capture
Some countries require engagement and prioritize monitoring and reporting

Australia: no targets but reporting on measures taken to procure or hire locally

Canada: no specific measures imposed but firms must engage with local communities through their Obligation to Consult; Impact and Benefit agreements outline impacts on local communities
Different ways in which countries support local suppliers

- Identification of needs within supply chain
- “Triple helix” – cooperation to identify barriers
- Training and skills transfer
- SMEs – lack of financing
- “Unbundling” of contracts by mining firms
Mining firms: enabling local suppliers

Targeting a specific point in the procurement process where local firms have fallen short of full competitiveness: e.g., the tendering process in Australia
Public-private training centres: Canada
Suppliers development programmes