



Regulatory Efficiency Assessments - Mining

Unlocking the potential of the mining sector to boost private sector development

WHAT IS A REGULATORY EFFICIENCY ASSESSMENT OF THE MINING SECTOR?

The Regulatory Efficiency unit of the World Bank (DECRE) supports the development of a dynamic and resilient private sector through the production of regulatory assessments.

Regulatory Efficiency assessments of the mining sector highlight the procedures and practical challenges faced by mining firms, operating either at the national or regional level.

These assessments provide targeted recommendations to improve the regulatory process and the business environment, helping countries optimize their natural endowments and sector-specific potential.

WHY ASSESSING REGULATIONS IN THE MINING SECTOR?

- **Jobs & Economic Impact:** Mining is a key driver of economic growth and employment, particularly in resource-rich countries. It supports a wide range of jobs, from exploration and extraction to processing and logistics, and often serves as a major source of government revenue. Streamlining regulatory processes can unlock opportunities for inclusive and sustainable sector development.
- **Licensing & Regulatory Framework:** Mining operations typically face extensive and multi-tiered licensing and regulatory requirements, including exploration and mining licenses, environmental clearances, land access approvals,

and export permits. These can be complex, overlapping, and time-consuming. A thorough assessment helps streamline these processes, reducing entry barriers, and promoting formalization and compliance.

- **Regional Variation:** Mining activities are in essence anchored in specific regions. Local conditions, such as infrastructure, governance, access to energy, and availability of skilled labor, can significantly affect operational efficiency. Regional assessments identify constraints at the local level to better inform tailored policy responses.
- **Attracting Private Investment:** A transparent and predictable regulatory environment is essential for attracting domestic and foreign investment in mining. This includes clear rules on concessions, operations, royalties, environmental and social safeguards, and dispute resolution. A streamlined regulatory framework improves the investment climate and increases attractiveness of the business environment, including capital for exploration, infrastructure, and value-added processing.
- **Enabling Innovation & Sustainability:** The mining sector is undergoing transformation through technological innovation and increasing emphasis on environmental and social responsibility. A supportive regulatory framework enables companies to adopt cleaner technologies, improve safety standards, and align with global sustainability practices. Regular assessments ensure that regulations evolve with industry trends and do not hinder competitiveness.

WHAT DOES IT MEASURE?

The Regulatory Efficiency Assessment of the Mining Sector provides a comprehensive, evidence-based analysis of the regulatory and operational landscape for private sector operators in the mining sector. It gathers data through questionnaires administered to both public and private sector stakeholders, ensuring a balanced and accurate understanding of the sector's challenges and opportunities.

Recognizing the diversity within mining operations, the study distinguishes key subsectors (e.g., artisanal mining, small-scale mining, and large-scale mining). Data for each subsector is collected separately using tailored questionnaires, ensuring that the specific challenges and bottlenecks unique to each are accurately identified.

The assessment is built around three pillars and places emphasis on licensing, regulatory, and compliance barriers that may hinder private sector growth.

Pillar I – Regulatory Framework - assesses laws and regulations, focusing on licensing and permitting requirements for mining companies and entrepreneurs at the national and regional levels. It examines the number and types of licenses, identifies overlaps and outdated requirements, and evaluates the clarity and consistency of regulations, including sector-specific standards and alignment with international best practices.

Pillar II – Public Services - reviews the quality, transparency, and efficiency of licensing procedures, including the existence and effectiveness of electronic platforms, coordination among agencies, digitalization of processes, and the availability of clear information on requirements, timelines, and costs.

Pillar III – Efficiency - maps the complete process for new and existing mining companies and entrepreneurs in each subsector to obtain all necessary licenses and permits, analyzing the sequence of steps, agency involvement, time, and costs necessary for each step. It identifies bottlenecks and opportunities to streamline procedures and reduce administrative burdens.

Data for artisanal mining, small-scale mining, and large-scale mining is analyzed separately, enabling tailored recommendations for each subsector.

The methodology and parameters can be adjusted to the country-specific context to provide relevant, actionable data and recommendations to support targeted reforms.

WHAT IS THE OUTPUT?

A Regulatory Efficiency Assessment of the Mining Sector report includes:

- ✓ Micro-level data specifically collected for the mining sector, providing valuable insights into the local investment climate for artisanal mining, small-scale mining, and large-scale mining.

- ✓ Sectoral profiles with detailed process mapping of regulatory and administrative procedures, offering actionable insights for improvement in each mining subsector.
- ✓ In-depth analysis of administrative constraints at both national and local levels, revealing areas for improvement.
- ✓ Identification and documentation of good practices within the mining sector that can be replicated within the country to enhance the investment climate, often without amending the regulatory framework.
- ✓ Enhanced visibility to donors and investors by demonstrating the sector's commitment to regulatory improvement and operational efficiency.

COLLABORATION WITH DEVELOPMENT PARTNERS

Assessments by the Regulatory Efficiency unit are designed to meet the needs of client governments, with funding provided both by the governments and through strategic partnerships with key development partners. These partnerships have been instrumental in supporting regulatory assessments at the subnational level around the world, including in Kenya, Mozambique, Nigeria, South Africa, Afghanistan, Kazakhstan, Brazil, Colombia, Mexico, Peru, and several Members States across the European Union.

With the support of our development partners, these assessments have driven tangible outcomes for client countries such as:

- ✓ Streamlined regulatory processes.
- ✓ Cost savings for entrepreneurs.
- ✓ Strengthened private sector development agendas.
- ✓ Effective delivery of technical assistance and lending operations to improve investment climate.
- ✓ Enhanced policy dialogue and greater engagement between national and local governments.

CONTACT:

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