MINING AWARDS CORRUPTION RISK ASSESSMENT TOOL

ABRIDGED

Transparency International is a global movement with one vision: a world in which government, business, civil society and the daily lives of people are free of corruption. With more than 100 chapters worldwide and an international secretariat in Berlin, we are leading the fight against corruption to turn this vision into reality.

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INTRODUCTION

THE PROBLEM OF CORRUPTION IN MINING AWARDS

A lack of transparency and accountability in the awarding of mining licences, permits and contracts – the first stage in the mining value chain – is a root cause of corruption in the mining sector. One in four corruption cases in the extractive sector occurs at this initial phase of the value chain.[1] Corruption in decisions about whether and under what conditions a mining project is allowed can have devastating impacts on government revenue, the wellbeing and livelihood of local communities and the environment.

In the context of the COVID-19 pandemic and the growing demand for minerals needed for modern technology and the energy transition, there are new pressures on mining awards processes. The ongoing and transformative disruptions of the COVID-19 pandemic are likely to exacerbate existing weaknesses in the mining awards process and also lead to new vulnerabilities.[2] More than ever before there is a need to address the systemic weaknesses in the mining awards process that create corruption risks and in turn undermine the lawful, compliant and ethical awarding of mining sector licences, permits and contracts.

Figure 1. Mining Value Chain

Approving mining projects: Awarding licenses and contracts	Regulating and monitoring operations	Collecting taxes and royalties	Implementing sustainable development policies	Improving revenue management and allocation

Mining Value Chain. Adapted from World Bank, Extractives Industries Value Chain.

MINING AWARDS CORRUPTION RISK ASSESSMENT (MACRA) TOOL

The Mining Awards Corruption Risk Assessment (MACRA) Tool was developed by Transparency International (TI) to help users identify and assess the underlying causes of corruption risks within the mining awards process in their country. The tool's focus on 'mining awards' spans from the award of rights for exploration, extraction and mine expansion, to community consultation and consent requirements, and environmental licences and related permits.

The tool has been used in over 23 countries. It contains 83 common corruption risks and has been endorsed by the International Council on Mining and Metals (ICMM) and cited by different organisations such as the World Bank and the Organisation for Economic Cooperation and Development (OECD). The comprehensive research method in the MACRA Tool involves significant stakeholder participation and analysis which requires approximately 12 months to implement.

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1. OECD (2016). Corruption in the extractive value chain: Typology of risks, mitigation measures and incentives. Paris: OECD

2. T. Grice (2021). Through the looking glass: Corruption risk in mining licensing and permitting in the pandemic era. Melbourne: Transparency International.

AN ABRIDGED MACRA TOOL

Transparency International has developed this abridged version of the MACRA Tool with a four-month implementation period so that a broader audience can identify, assess and prioritise corruption risks for action. The tool aims to support civil society organisations, businesses and governments to pinpoint corruption risks in the awards process. Using the tool for this purpose enables users to develop an evidence-based foundation for targeted and effective action to improve transparency and accountability and prevent corruption in the mining awards process.

With the Abridged MACRA Tool, users will:

- Identify the vulnerabilities and strengths in the mining award process

- Identify and assess the corresponding corruption risks

- Validate and prioritise corruption risks for action

- Transition from research into action

The tool takes a multi-stakeholder approach to ensure that diverse views are well incorporated in the assessment and recognises that women have an important role to play in preventing corruption. When women's participation is restricted, corruption may be more likely to happen or go undetected. And when it does occur, corruption can have a disproportionate impact on women. For this reason, strategies to tackle corruption will only be truly effective if they address the barriers created by gender inequality that hinder women's participation in decision-making and accountability efforts. Consistent with the original tool, this abridged tool guides users to collect information that will help identify and address the barriers to women's participation as well as to identify and mitigate the specific gendered impacts of corruption on women.

The activities in the Abridged MACRA Tool are designed to be completed within four months without compromising on the quality of the outcomes. This version uses a response rating questionnaire to expedite the scoring of risks and minimise subjectivity in the assessment findings. The Abridged MACRA Tool also contains additional guidance to support users to transition from research to action. For users with the time and resources to conduct more in-depth research and to consult with a greater number of stakeholders, the original MACRA Tool is recommended.

Table 1. Users of the Abridged MACRA Tool

The Abridged MACRA Tool may be implemented by an organisation with appropriate research capacity or if needed, by a consultant. It is important for the implementing organisation to ensure that knowledge about the corruption risks developed through the assessment is retained within the organisation even if the research is conducted by a consultant.

In the TI Accountable Mining Programme, implementing country offices (Chapters) have a project coordinator (a staff member of the TI Chapter) who supervises an external researcher (consultant) and is actively involved in any form of training on the tool as well as engaging with relevant stakeholders. Annex 1 provides a suggested delineation of roles as well as further details on the timeframe for implementing each of the four phases of the tool.

KEY CONCEPTS AND TERMINOLOGY

Corruption

Transparency International defines corruption as the abuse of entrusted power for private gain.

This definition extends beyond power entrusted to government officials. For example, corruption occurs when community leaders abuse the power entrusted to them to represent community interests in negotiations with the government and companies. Similarly, companies can be corrupt when they abuse the power entrusted to them to behave in a certain way during negotiations with communities or with the government.

Using this definition will enable you to identify what measures need to be taken to make the processes involved in approving mining projects more ethical, transparent, and accountable. Table 2 presents examples of different types of corrupt acts.

Mining awards

Countries award exploration and mining rights in different forms. The rights may be called: leases, titles, licences, concessions or tenements. The methods used to allocate the rights also differ. In some countries, rights are granted on a first-come-first-served basis, in others through a tender or competitive bidding process, or via negotiated agreements. The MACRA Tool refers to the 'awards process' to cover these various forms and methods of allocating rights.

Table 2. Examples of corrupt acts

Bribing public officials, for example, by mining companies

Receiving bribes, for example, public officials or community leaders

Embezzlement, for example, of mineral rights by the Minister of Mines

Misappropriating or diverting public funds, for example, officials stealing application fees

Abuse of office, for example, a public official corruptly using his or her position to demand benefits from companies or communities.

Trading in influence, for example, a politician using political influence to obtain favourable contractual terms for a friend's company.

Favouritism, for example, bias by public officials in awarding licences to applicants

Extortion, for example, a public official refusing to hand over licence documents unless a mining company pays money.

Facilitation payments, for example, by a mining company to an official to speed up a process.

Not declaring a private interest in a mining project, for example, by a minister, official or community representative
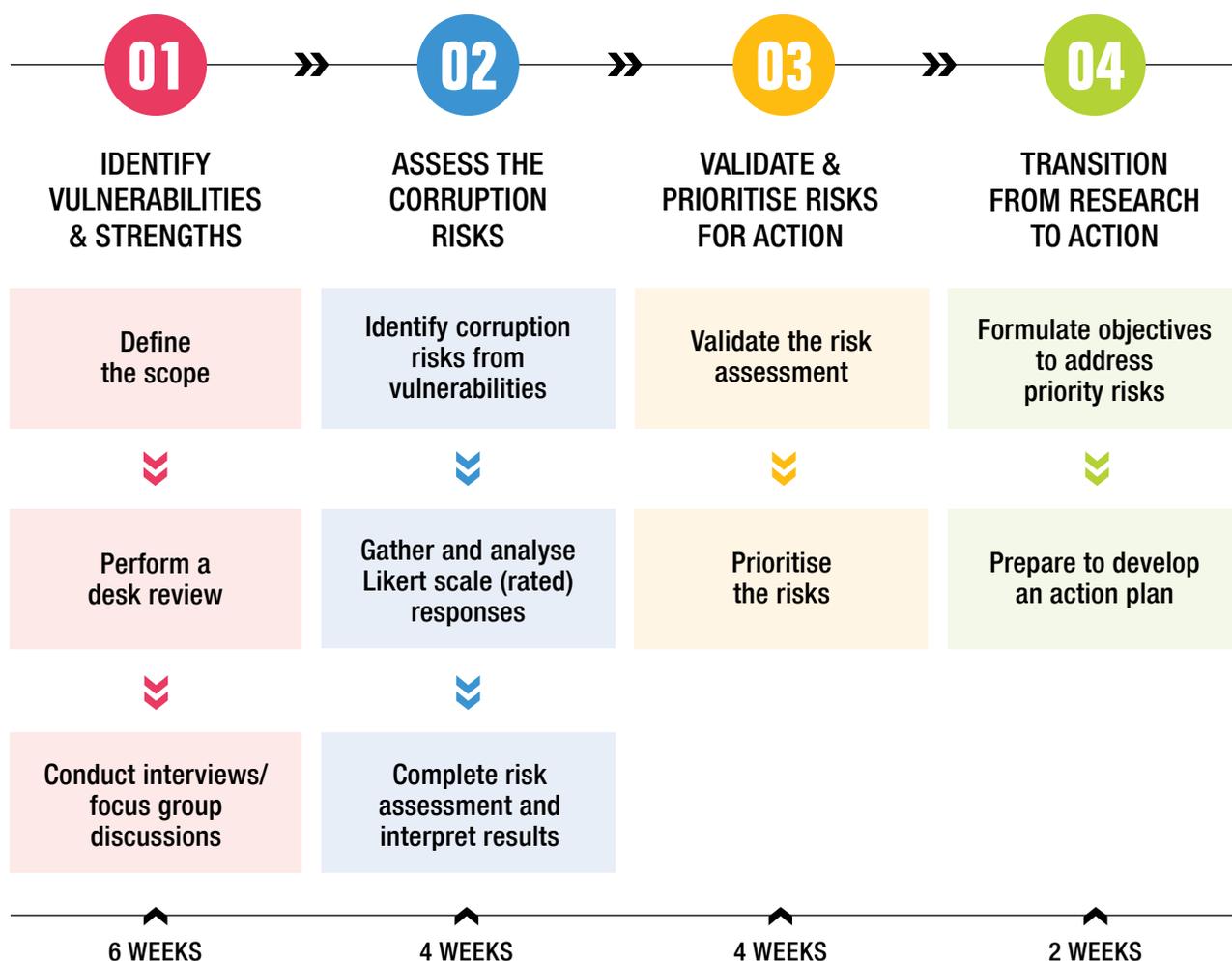
OVERVIEW OF THE PHASES IN THE TOOL

The Abridged MACRA Tool is composed of four key phases with distinct activities as illustrated in Figure 2. All activities can be completed within four months by an implementing organisation or consultant.

You will begin in Phase 1 by defining the scope of the assessment and then conducting a desk-based review of relevant sources as well as interviews/focus group discussions to identify corruption vulnerabilities and strengths. In Phase 2 you will identify and assess the corruption risks resulting from the vulnerabilities using a questionnaire and evidence collected in the previous phase. In Phase 3 you will validate the risk assessment results and identify four to five priority risks for action. In Phase 4 you will formulate objectives about the changes needed to address the priority risks. The objectives will form the basis of a strategic and effective action plan to help you reduce the risk of corruption in the mining awards process in your country.

Figure 2. Phases in the tool

01 IDENTIFY VULNERABILITIES & STRENGTHS	02 ASSESS THE CORRUPTION RISKS	03 VALIDATE & PRIORITISE RISKS FOR ACTION	04 TRANSITION FROM RESEARCH TO ACTION
Define the scope	Identify corruption risks from vulnerabilities	Validate the risk assessment	Formulate objectives to address priority risks
Perform a desk review	Gather and analyse Likert scale (rated) responses	Prioritise the risks	Prepare to develop an action plan
Conduct interviews/ focus group discussions	Complete risk assessment and interpret results		
6 WEEKS	4 WEEKS	4 WEEKS	2 WEEKS

01

IDENTIFY THE VULNERABILITIES AND STRENGTHS

PHASE 1: IDENTIFY THE VULNERABILIITES AND STRENGTHS

Review the process to identify corruption vulnerabilities and strengths.
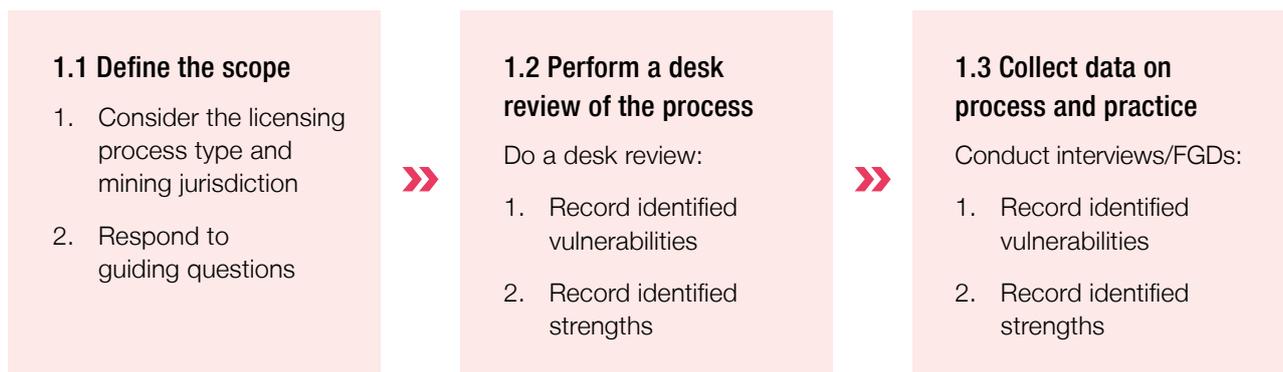
Phase 1 has three key activities that will require approximately six weeks to complete, as shown in Figure 3. You will start by defining the scope of the assessment. From there, you will gather and analyse information on the formal awards process and its implementation in practice through a desk review

and interviews/focus group discussions (FGDs). This will enable you to identify the vulnerabilities to corruption in the awards process as well as strengths in the process that reduce corruption risks. With this information you will be able to identify and assess the resulting corruption risks in Phase 2.

You should record all identified vulnerabilities on Worksheet A and strengths on Worksheet B located in Annex 3.

Figure 3. Phase 1 Activities

1.1 Define the scope

1. Consider the licensing process type and mining jurisdiction

2. Respond to guiding questions

»

1.2 Perform a desk review of the process

Do a desk review:

1. Record identified vulnerabilities

2. Record identified strengths

»

1.3 Collect data on process and practice

Conduct interviews/FGDs:

1. Record identified vulnerabilities

2. Record identified strengths

1.1 DEFINE THE SCOPE

The first activity for Phase 1 of your risk assessment is to define the scope of your research: which awards processes are you going to examine and why?

There may be different mining awards processes in your country, depending on the:

- **Jurisdiction:** national level, state level and/or provincial level

- **Licensing process type:** new licence, licence renewal or licence transfer

- **Commodity:** type of mineral – including critical minerals and energy transition minerals used for clean energy technologies such as wind or solar power and battery storage

- **Scale:** large, small and artisanal mining (formalised)

- **Phase:** exploration and/or production, expansion

- **Mining-related approvals:** such as environmental permits, community consultation requirements, land access agreements

It is not feasible to assess every awards process. You should focus on the awards process(es) that are most strategic for your efforts to combat corruption.

To help decide which jurisdiction(s), licensing type, commodity, scale, and related approvals process to focus on, consider (i) the impact of mining (positive and negative), (ii) the history of corruption, and (iii) practical matters affecting the research process.

The questions below are a guide to help you make your decision, but you may develop your own criteria.

Guiding questions for defining the scope

Impact of mining

It is strategic to focus on commodities, jurisdictions, etc where there is currently a high level of exploration and mining or where there is likely to be in the near future, as the impact of corruption in those areas will be greater.

- Is there a high level of exploration and/or mining in relation to that commodity or in that jurisdiction?

- Is mining an emerging sector of importance in that jurisdiction or is demand for mining of that commodity increasing?

- Does mining at that scale/of that commodity make a significant contribution to the economy?

- Does mining at that scale/of that commodity/in that jurisdiction have negative environmental and social (including gender) impacts?

History of corruption

It makes sense to focus on the jurisdiction, licensing type, scale, related approvals etc where there is a known problem of corruption or unethical conduct, as this indicates a need for effective and targeted action to prevent corruption.

- Is there a known history or problem of corruption in mining in that jurisdiction/at that scale/in relation to that awards process?

- Are there mining companies of questionable reputation and integrity currently operating mines or applying for licences?

Practical matters

As part of this research, you need to speak to different stakeholders. If it will not be feasible to access key stakeholders because of their location or for other reasons, then you should focus on a different awards process.

- Are stakeholders in government, businesses, civil society and community interested in reducing corruption in this area?

- Are they likely to be accessible and available to participate in the research?

Table 3. Using the tool for a country with a decentralised mining regime

Mining jurisdiction: How to use this tool if your country has a decentralised mining regime

In some countries, the awards process occurs at a sub-national level (i.e., province or state) because of the decentralisation of the cadastre agency or because mining rights are controlled by provinces/states, not by the national government.

Responding to the guiding questions above can provide you with preliminary information about which mining jurisdiction in your region makes a significant contribution to the economy, generates social and environmental impacts, has a history of corruption, etc. This background information will help you to select the suitable province/state for your assessment.

After you have defined the **province(s)/ state(s)** for your research, you will use Activity 1.2 to understand relevant provincial/state mining laws, government institutions and key stakeholders.

Table 4. Using the tool for research focused on license renewal or reselling/transferring

Licensing process type: How to use this tool if your research is focused on the process for licence renewals or transfers

Mining rights can be renewed or transferred. The process for licence renewal/transfer is likely to be different from the process for issuing a new licence and different government institutions may be involved.

Addressing the guiding questions above can provide you with background information as to which licensing process type has a history of corruption, transparency challenges, negative impacts, as well as which awards process key stakeholders have an interest in reforming. It makes sense to focus on this awards process.

If you choose to focus on the process for **licence renewals** and/or **licence transfers**, it is important to identify whether they are a separate process or part of the mining awards process. In Activity 1.2, you will need to identify the relevant laws, requirements and institutions involved in the chosen process(es).

Table 5. Using the tool for research focused on other mining-related approvals

Other mining-related approvals: How to use this tool if your research is focused on other mining-related approvals

There are usually several permissions, approvals and activities that a mining company must obtain before they can start mining. For example, companies may have to consult with communities, negotiate land access agreements or assess the environmental and social impacts of the mining operations. These mining-related approvals might also be vulnerable to corruption.

You can use your responses to the guiding questions above to identify which of these approval processes has a record of corruption, transparency challenges, negative impacts, as well as where there is high interest among key stakeholders.

If you decide to include any **other mining-related approvals** in your research, in Activity 1.2 you will review relevant laws and regulations governing such approvals, application requirements the key government institutions involved and how they relate to the primary process for awarding the exploration or mining right.

1.2 REVIEW THE PROCESS TO IDENTIFY VULNERABILITIES AND STRENGTHS

In this step you will review information and reports about the process and practice to identify opportunities for corruption (vulnerabilities), and also factors that help to prevent or detect corruption (strengths). To adequately review the process, you should consider key aspects as listed in Table 6.

Table 6. Relevant background information about the process

You will need to collect some preliminary information about:

- **The main laws and regulations** that govern the licensing process type (s) chosen for the research

- **The administrative institutions** and other key stakeholders involved in the process(es)

- **The methods for awarding licenses** – auctions; open competitive tender process; direct negotiations with the government and a mining company; first-come, first-served process; direct allocation to a specific firm; limited expression of interest process that invites targeted companies only

- **Important related approvals or requirements** - for example, environmental permits, community consultation or agreements, land access rights and permits

- **Context-specific details** - types of minerals and metals mined, location of mining operations and level of mining activity, size and types of mining companies, existing good governance and community initiatives

- **Any significant environmental, social and gendered impacts** related to corruption in mining in the chosen awards process(es)

Vulnerabilities: These refer to systemic, regulatory, institutional and other weaknesses that create opportunities for corruption to occur or pass undetected. They are specific to the awards process in your jurisdiction. Vulnerabilities may arise from the design of the awards process (the law), the awards practice (implementation) or from surrounding contextual factors.

You will use the vulnerabilities to identify the resulting corruption risks in Phase 2 of the tool.

Strengths: These are factors or features that can help to prevent, minimise or detect potential corruption risks. Like the vulnerabilities, strengths can be found in the design of the awards process (law), the awards practice (implementation) or in surrounding contextual factors.

Strengths reduce the likelihood and impact of corruption risks. You will include the strengths identified in the desk review and interviews in your assessment of the corruption risks in Phase 2.

Categories of Vulnerabilities: A vulnerability may be present in the context, awards process and other mining-related approvals, as illustrated in Table 7. Knowing the source of your vulnerability can help you to understand which aspects of the mining awards process are most vulnerable to corruption and will also assist you to identify the resulting corruption risks in Activity 2.1 in Phase 2. Use the questions in Table 7 as a guide to categorise the vulnerabilities you identify through your desk review and the interviews/focus group discussion.

Table 7. Categories of Vulnerabilities

Areas	Categories of Vulnerabilities	Guiding Questions
Context	1. Contextual factors (CF)*	**Does this vulnerability arise from the context in which the awards process takes place?** For example, individuals commonly move from government and politics to the mining sector (and vice versa) and there are weak controls to prevent conflicts of interest.
Awards process	2. Process Design (PD)	**Is this vulnerability due to the laws, regulations and policies that establish the design of the awards process?** For example, there is no requirement to publish licence information or clear decision-making criteria.
	3. Process Practice (PP)	**Does this vulnerability arise from the way the awards process is implemented in practice?** For example, licence applications are submitted in person rather than electronically.
Mining-related approvals	4. Environmental and social impact assessment (ESIA)	**Does this vulnerability relate to the process for commissioning, conducting and approving environment and social impact assessments?** For example, the relevant government authority does not have the resources to verify impact assessment reports.
	5. Community consultation (CC)	**Is this vulnerability related to the way that community consultation is conducted?** For example, agreements with local communities are made in secret and are not published.

*Keep your review of the context focused. Every country has a context that is shaped by its specific politics, economics and society. The contextual factors that are relevant for the review are those that influence or affect the mining awards process, rather than a general political economic analysis of the country. You are looking for factors that weaken or strengthen the awards process in relation to corruption. These may include political, economic, technological, and social and gender-related factors, as illustrated in Table 8.

Table 8. Contextual factors

Contextual factors	Examples
Political factors	• There are widespread conflicts of interest involving politicians and officials with mining interests. • The government has a whistleblower protection policy but does not specifically identify or address the different protection needs of female whistleblowers. • The government is actively engaging civil society organisations including women's organisations in the current revision of the mining law.
Economic factors	• Many new deposits have been identified increasing the workload of the cadastre as the government tries to bring them into production. • The government is encouraging greater foreign investment in mining as part of the economic recovery to the COVID-19 pandemic by relaxing licensing requirements.
Social factors	• Women in rural areas rarely hold legal title to the land that they rely on for their livelihood. • The rights of many poor communities, especially in areas remote from the capital city, are routinely ignored. • Only a few companies have policies for inclusive community engagement, but these are not being implemented
Technological factors	• There are many geological discoveries in environmentally sensitive areas, but government staff do not understand the technology, costs, profits or risks of mining in these areas. • The cadastre has a program in place to adopt an electronic system for handling applications and awards and for record-keeping.

1.2.1 DESK REVIEW OF THE PROCESS

Begin with a desk review of information about the chosen awards process (i.e., the mining award process, licence renewal, and/or licence reselling/transferring) to identify the vulnerabilities and strengths that have been documented by others and those that you identify from your own analysis of relevant sources, as guided by this section.

Review vulnerabilities and strengths documented by others

Begin by reviewing sources that have analysed the awards process and might document and offer conclusions about vulnerabilities and strengths in the mining award process, practice and context. Such sources include:

• EITI country and validation reports

• Reports of anti-corruption agency, parliamentary committees and Auditor General

• Resource Governance Index

• Academic papers

• Research by anti-corruption and natural resource governance organisations on the awards process

Review and analyse the process to identify vulnerabilities and strengths

You should also conduct your own analysis of the process, practice and context to identify additional vulnerabilities. The following sources are useful to include in your review and analysis:

- The laws and regulations that govern the chosen awards process

- Official websites for tracking exploration and production licence applications

- Licence application forms

- The licence register or cadastre

- Government policy documents on the awards process

Table 9 provides a list of some of the indicators of vulnerability to guide your analysis. Are any of these present in the mining awards process of your country/state/province?

Table 9. Indicators of vulnerability to corruption

- **Unrestricted decision-maker discretion:** where there are no decision-making criteria (or transparency about the criteria) and a single authority or individual has broad discretion or decision-making power with little scrutiny

- **Deviations from the law:** where what happens in practice is different from what is required by law

- **No fixed timeframe:** no clear time limits on conducting steps in the awards process

- **No documentation requirements:** where an agency does not require applicants to submit documentation to support decisions

- **Lack of independence:** Awards process steps particularly vulnerable to external influence, for example by ministers

- **Conflicting duties:** inadequate segregation of duties amongst cadastre or other

officials, for example, where the government authority responsible for promoting mining is also responsible for awarding licences.

- **No decision-maker:** points where nobody is responsible for certain steps, or it is confusing who is responsible

- **Multiple decision-makers:** points where more than one person can sign off on a decision, creating opportunities for "signature shopping" by applicants or officials

- **Workarounds:** accepted informal processes that depart from the formal procedure.

- **Face-to-face contact:** points where the applicant has direct contact with a government official create opportunities for corruption and expose female applicants to sexual extortion

Process maps

One option you may choose to help your analysis is to prepare **a process map**. This can present a more structured way of identifying where there are vulnerabilities to corruption in the design of the process.

A process map of your country's award process can help set the "baseline" so that you can see where practice diverges from the official process, or whereupon implementation issues arise that

were not contemplated or intended by the legislation (e.g. a lack of meaningful and inclusive community consultations).

Refer to pages 22-27 of the original MACRA Tool for tips on mapping the awards process and practice. See examples of licence maps at https://transparency.org.au/global-mining/licence-maps.

Record vulnerabilities on Worksheet A

Vulnerabilities that you identify from the desk review should be recorded in the first column of Worksheet A together with corresponding category, as shown in the sample worksheet in Table 10. You will use this list later to complete Activity 2.1 in Phase 2, where you identify the corruption risks created by each vulnerability.

Table 10. Sample Worksheet A: Vulnerabilities identified from desk review and interviews

Vulnerabilities Complete during Activities 1.2 & 1.3	Resulting corruption risks Complete during Activity 2.1
PD: No clear time limits within which steps in the awards process must be completed.	
CF/CC: Women's ownership of land is not formally documented or recognised.	
CF: There is no enforcement of asset disclosure rules applying to politicians.	
PP: Licence applications must be submitted in person to the government officials working in the cadastre agency.	

Strengths

To help make your corruption risk assessment more convincing, you should identify strengths in the awards process. Compiling a list of the strengths will help you to develop a more complete risk profile of the awards process that shows which aspects are low risk and which are high risk for corruption. The strengths reduce the likelihood of occurrence and/or the impact of a risk. Including evidence of the strengths in your risk assessment in Phase 2 will show that you have considered all relevant evidence and will help to justify the scores you assign to the risks.

Some indicators of strengths are included in Table 11 as a guide for your review.

Table 11. Indicators of strengths

- **Compliance with the rules:** independent review finds strong legal compliance among government officials.

- **Fixed timeframe:** where the law contains clear and fixed timeframes for steps in the awards process.

- **Effective due diligence process:** there are clear procedures for running background checks on applicants.

- **Clear evaluation criteria:** criteria for assessing applications are clearly laid out and followed.

- **Properly resourced agencies:** the government department or agency responsible for handling licence applications has adequate financial and human resources to perform its functions.

- **Checks and balances on decision-maker discretion:** there are formal procedures for crosschecking and scrutiny of decisions to award a licence, including the availability of appeal and review of decisions.

- **Conflicts of interest are declared and managed:** departmental systems ensure that decision-makers make fair and unbiased decisions about mining awards.

Record strengths on Worksheet B

Record all the strengths you have identified on Worksheet B. Keep this worksheet ready to refer to in the assessment of likelihood and impact in Phase 2. Further instructions are provided in Activity 2.3 on how to use the strengths in your risk assessment to produce more accurate and credible results.

Table 12. Sample Worksheet B: Strengths identified from process and practice

Strengths Complete during Activities 1.2 & 1.3	Reducing corruption risks Complete during Activity 2.3
PD: There are clear and fixed timeframes for each step in the awards process.	
PD/PP: There are formal procedures for crosschecking and scrutiny of decisions to award a licence.	
PD/PP: Criteria for assessing applications are clearly laid out and followed.	

1.3 COLLECT DATA ON THE PROCESS, VULNERABILITIES AND STRENGTHS

After you have your list of vulnerabilities and strengths from your desk review, it is important to gather information from individuals with valuable first-hand information about the process and what actually happens in practice. This is because the gap between the awards process as set out in the law and what happens in practice can be a major source of corruption risk and there is usually less documented information about how the process works in practice.

Speaking with people with lived experience of the process can help you to:

- Gather additional information that may be missing from the desk review to confirm the vulnerabilities and strengths identified

- Address practice-related vulnerability questions that could not be answered through the desk review

- Obtain new information and more insights to identify additional vulnerabilities and strengths

Record your findings. Add the vulnerabilities identified from speaking to stakeholders to Worksheet A. Use Worksheet B for any new strengths.

1.3.1 Stakeholders to speak to

It is important for you to speak to relevant people who participate in the awards process. Make sure you speak to people from different stakeholder groups as this will help you to obtain different perspectives about the vulnerabilities and strengths associated with the process in practice.

Some stakeholders that you should speak to include:

- Cadastre/licence registry officials (retired staff may speak more freely than current staff)
- Mining minister or advisors
- CSOs with expertise in mining
- Private sector representatives and miners
- Academics
- Media
- Women and men from mining-affected communities.

Confidentiality & Anonymity

Consider whether you need to maintain confidentiality around the identity of the people who participate in interviews or focus group discussions. Confidentiality may even be a requirement before some people will be willing to talk to you.

1.3.2 Data Collection Methods

Depending on your country context, you should conduct either interviews or focus group discussions or a combination of the two to obtain stakeholders' perceptions and suggestions.

Should interviews or focus group discussions be used?

Interviews are particularly useful for key stakeholders from whom you want to obtain in-depth information such as senior government officials or officials responsible for handling the awards process. They are also useful in instances where the individual may be reluctant to speak in a group setting because, for example, they will be sharing sensitive information. In such cases, the individual will feel more comfortable and confident about sharing the story behind their experiences in a one-on-one discussion. It is usually a good idea to open the interview with a few "easy" questions to make the respondents comfortable and to familiarise him/her with the subject of the interview.

Focus group discussions are recommended when you want to obtain the views of several stakeholders at the same time. It might be advisable to restrict the focus group discussion to a single stakeholder group – for example just companies. A focus group discussion will usually take around one hour and should include a minimum of 8 and a maximum of 12 participants. Focus group discussions could be particularly useful for speaking to mining-affected communities. In some settings, it may be more appropriate to hold separate focus group discussions for men and women, and perhaps other minority groups too, if possible. You may encounter challenges when attempting to speak to women and other marginalised groups in remote or rural communities. Refer to Annex 7 of the original MACRA Tool for tips on how to engage women to participate in your focus group discussion.

How to deal with sensitivities about 'corruption'?

Corruption is a term that can make people defensive and reluctant to talk to you. You can overcome this by explaining that you are wanting to better understand the weaknesses in the system that need to be addressed and clarifying that you are not looking into specific cases or allegations of corruption and that you are not focused on individuals. Emphasise that the purpose of the research is to identify how improvements can be made to strengthen transparency and accountability in the awards process.

What questions should be asked in the interviews/focus group discussions?

It is important to ask the right questions to help identify or gather more information about relevant vulnerabilities and strengths in the mining awards process. Develop an interview/focus group discussion guide to ensure that you are able collect adequate information from each respondent and are prepared with stakeholder-specific questions.

The interview/focus group discussion guide helps you learn about the perceptions, questions, and suggestions about an issue. In conducting your interviews/focus group discussions, you should probe further to ask why respondents hold a particular viewpoint. A semi-structured approach to the interview allows you to be flexible and focus on topics that emerge as the most promising or interesting during the conversation while still covering the key questions in the interview/focus group discussion guide.

The interview/focus group discussion guide you develop should address at least three categories of questions:

- **Background questions** that help you to obtain the participant/respondent's general perspective about the vulnerabilities and strengths in the awards process.

- **Questions on any vulnerabilities** from the desk review that you need more information about. For example, contextual vulnerabilities identified in the review may require further information to understand how they undermine the mining awards process.

- **Implementation-related questions** that address vulnerabilities in the implementation of the awards process in practice. You can obtain such details from individuals with lived experience of the process, such as companies that have applied for licences or government officials responsible for receiving and reviewing applications.

Table 13. Examples of interview/focus group discussion questions

Background questions:

1. In your view, how transparent is the mining awards process in [country/state/province]?

2. What are the vulnerabilities in the mining awards process?

3. In your view, how do these vulnerabilities affect the mining awards process?

4. What strengths in the mining awards process would you like to mention?

5. In what ways do these strengths help prevent or detect corruption in the mining awards process?

6. What is your view about efforts by the government and companies to address corruption?

Questions on vulnerabilities with limited information:

1. In your view, has the absence of standard criteria for awarding licences affected the processing of licence applications? How?

2. Has a lack of due diligence on technical and financial claims of a company applying for a mining licence undermined the mining awards process? In what way?

3. In your view, to what extent are there undeclared conflicts of interest involving politicians and how is that affecting the mining awards process?

Practice questions

1. Can you think of any vulnerabilities in the system that could result in cadastre agency officials selling confidential information to competing applicants?

2. Is there any way that the 'first come, first served' awards method could be manipulated?

3. Based on your experience of applying for a licence, are there any aspects of the awards process that you found concerning or lacking integrity?

02

ASSESS THE CORRUPTION RISKS

PHASE 2: ASSESS THE CORRUPTION RISKS

You will now identify and assess the corruption risks resulting from the vulnerabilities.

Phase 2 comprises three key activities that should take you four weeks to complete, as illustrated in Figure 4. To begin with, you will identify the corruption risks resulting from the vulnerabilities previously identified through your desk review and interviews/focus group discussions. You will then collect rated responses on the likelihood and impact of each of these risks. Finally, you will complete the assessment of each corruption risk by analysing the rated responses together with evidence collected in Phase 1. The results will show which corruption risks are most serious and will help you to prioritise risks for action in Phase 3.

Figure 4. Phase 2 Activities

Identify corruption risks

1. Identify the corruption risks resulting from the vulnerabilities

2. Complete risk section of Worksheet A

Gather & assess Likert scale responses

1. Develop and administer Likert scale questionnaire

2. Do Likert scale risk scoring

Complete risk assessment

1. Use other evidence to confirm/modify Likert scores and complete Worksheet C

2. Interpret your results

2.1 IDENTIFY CORRUPTION RISKS FROM THE VULNERABILITIES

Now that you have identified the vulnerabilities in the awards process, practice and context, you need to determine the corruption risks created by these vulnerabilities. You will then be able to assess these corruption risks.

Figure 5 depicts the relationship between the corruption risk and its root causes (the vulnerability). The vulnerability is the underlying or root cause of the corruption risk.

Figure 5. Bow-Tie Framework
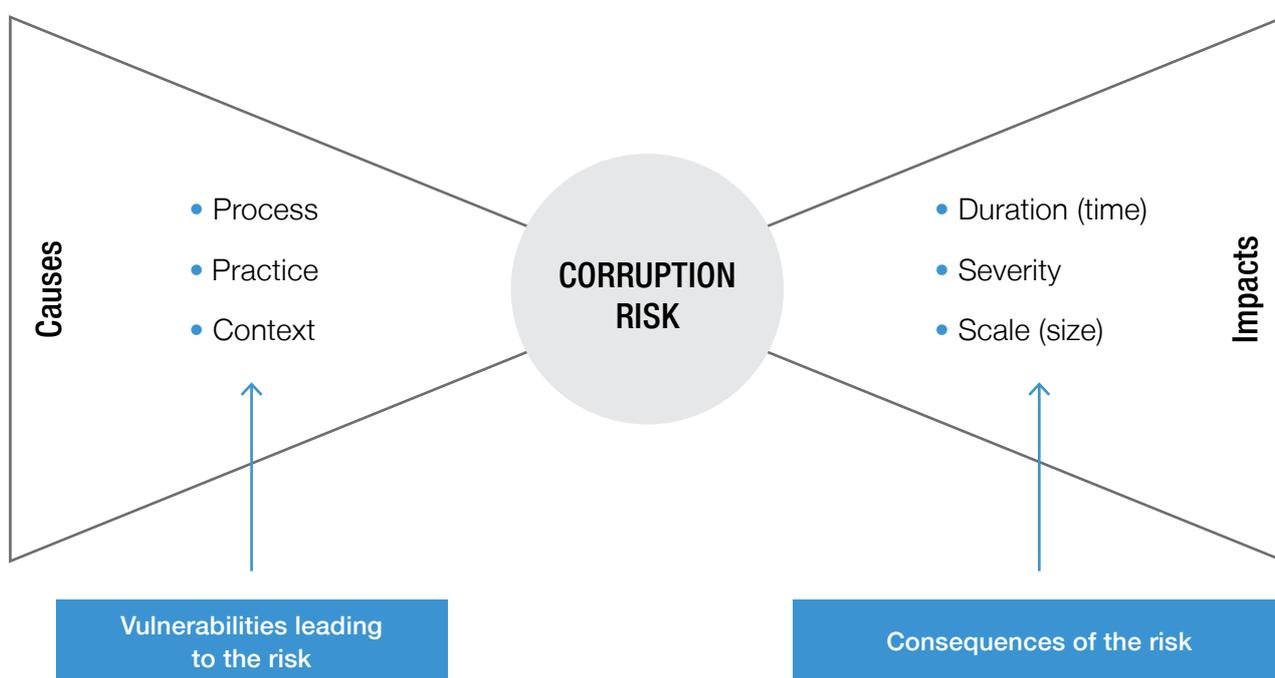
To identify the corruption risks resulting from the vulnerabilities, you have two options:

1. **Draw from the common risks in the tool:**
   The original MACRA Tool has over 80 common corruption risks organised by the same categories as the vulnerabilities - the contextual factors (CF), process design (PD), process practice (PP), environmental and social impact assessment (ESIA) and community consultation (CC).

You can refer to these risks and adapt or change the wording to best suit the specific vulnerabilities you have identified. Some of these common corruption risks are included in Annex 1 of this abridged tool as a guide. For a full list of the 83 common corruption risks, refer to Annex 1 of the original MACRA Tool.

2. **Formulate new risks:** Because the awards process and context in each country is different, it is almost certain that you will identify new risks that are additional to the common risks. For new risks, remember to:

 - Give a new risk an appropriate **code** based on the category it best fits into

 - Formulate the risk as a **question** "What is the risk that/of…?"

 - Include an **explanation** that justifies why it is a corruption risk

Whether you are adapting the corruption risks from the common corruption risks or formulating new risks, you need to ensure consistency in the way the risks are presented. The tool recommends that you formulate the risk as a question and provide an explanation about why the risk is a problem in terms of corruption. An example is shown below.

PD. What is the risk that the duration and timing of each step of the awards process can be manipulated?

If there are no clear or set timeframes for completing each step of the awards process, deadlines for payments or renewals of licences can be manipulated for corrupt purposes.

Record the corruption risks resulting from the vulnerabilities in the second column of Worksheet A. Some vulnerabilities may lead to more than one risk or to risks from different categories, as you can see in the example in Table 14.

Table 14. Sample of completed Worksheet A

Vulnerabilities Complete during Activities 1.2 & 1.3	Resulting corruption risks Complete during Activity 2.1
PD: No clear time limits within which steps in the awards process must be completed	PD: What is the risk that the duration and timing of each step of the awards process can be manipulated?
CF/CC: Women's ownership of land is not formally documented or recognised	CF: What is the risk that the surface and land rights of women in areas being opened for mining are not clear in law? CC: Assuming consultation with landholders is required, what is the risk that negotiations for agreements with landholders can be manipulated?
PD: There is no enforcement of asset disclosure rules applicable to politicians	CF: What is the risk that senior public officials or politicians will not declare assets, shares or income related to mining interests?
PP: Licence applications must be submitted in person to the government officials working in the cadastre agency	PP: What is the risk that the face-to-face application process will expose female licence applicants to sexual extortion?

How many risks to assess?

It is reasonable to assess around 10-15 corruption risks.

If you have identified considerably more than this number, you can reduce the number of individual risk assessments by:

• Grouping similar or related risks and assessing them together, for example risks that arise from the same vulnerability and for which you would probably rely on the same evidence.

• Grouping repeated risks and assessing them together, for example where a single type of risk arises from multiple, different vulnerabilities.

• Checking that the new risks you have defined are linked to corruption and removing them if they are not.

• Removing risks that are not related to the first stage of the mining chain, for example risks related to collection or royalties or to the monitoring of compliance with licence conditions.

2.2 GATHER AND ANALYSE LIKERT SCALE RESPONSES ON RISKS

Having identified the corruption risks, you will now assess them based on their likelihood and impact. **Likelihood** is the probability that the risk will occur, whereas **impact** refers to the negative consequences of the risk if it occurs – the 'costs of corruption'. By assessing the likelihood and impact you will determine how likely it is that the risk will occur and how serious its impacts would be.

As a starting point for your risk assessment, you will use a Likert scale questionnaire to gather rated responses from a range of stakeholders on the likelihood and impact of the corruption risks you have identified. A Likert scale questionnaire is a research instrument that is widely used for gathering survey responses based on a scale of options. A Likert scale questionnaire is quick to administer, makes question-answering easier for the respondent, does not force the respondent to take a yes/no stand on a particular topic, and responses are very easy to compute and analyse.

2.2.1 Gather Likert scale responses using a questionnaire

You should try to obtain responses from at least 20 participants who are evenly distributed across government, industry, civil society and community. They will rate both the likelihood and impact of each risk based on the following scale:

• **Likelihood:** 1- Almost impossible, 2- Unlikely, 3- Possible, 4- Likely, 5- Almost Certain

• **Impact:** 1- Insignificant, 2- Minor, 3- Moderate, 4- Major, 5- Catastrophic

To develop a Likert scale questionnaire, refer to the list of corruption risks you recorded on Worksheet A. Include each of these corruption risks in the questionnaire. You can present these risks as questions or statements or a mix, as illustrated in Table 15. Using a mix of both questions and statements can help keep your participants engaged and attentive while completing the questionnaire.

Table 15. Likert scale questionnaire

Example of Likert-type questions/statements [Scale of 1-5]

1. The risk that the duration and timing of each step of the awards process can be manipulated.

   Likelihood: Almost impossible | Unlikely | Possible | Likely | Almost Certain

   Impact: Insignificant | Minor | Moderate | Major | Catastrophic

2. What is the risk that lodged applications will be deliberately mishandled by government officials?

   Likelihood: Almost impossible | Unlikely | Possible | Likely | Almost Certain

   Impact: Insignificant | Minor | Moderate | Major | Catastrophic

3. What is the risk that community leaders negotiating with a mining company will not represent the interests of women and men in the community?

   Likelihood: Almost impossible | Unlikely | Possible | Likely | Almost Certain

   Impact: Insignificant | Minor | Moderate | Major | Catastrophic

Who should complete the questionnaire?

Participants selected for the Likert scale questionnaire may include respondents from the interviews and focus group discussions. It is important to ensure that the participants selected represent different stakeholder groups including government, business, community and civil society organisations.

To obtain stakeholder disaggregated data, the Likert-scale questionnaire for different stakeholder groups can be pre-coded. For example, the questionnaire forms to be completed by government officials can be coded GOV1, GOV2, etc, and that of business can be coded as BUS1, BUS2, etc. Pre-coding your Likert-scale questionnaire will give you a sense of how different stakeholder groups perceive a given risk, and such information is helpful for the results interpretation stage of your assessment.

How should the questionnaire be administered?

The Likert scale questionnaires should be completed by the respondents. The Likert questionnaire can be shared with respondents either via email, post, or face-to-face engagement. In administering your Likert scale questionnaire, you can choose to do it in a group format or on an individual basis. Note that administering the questionnaire in a group format can help reduce the time spent gathering the Likert scale data. You should ensure that perspectives from women and men across different groups of stakeholders are obtained. Before starting, clearly and briefly explain the purpose of the questionnaire and tell your respondents how long it will take to complete it.

2.2.2 Analyse the rated responses

After using the Likert scale questionnaire to collect rated responses from participants, you then need to analyse the responses. To do this, you should create a tally of the responses to identify the score most frequently assigned to the likelihood and impact of each risk (known as the 'modal score'). You can do this by putting all responses for each risk into a spreadsheet and then working out how many times each score appears, as shown in Table 16. The score that appears the most is the modal score. You will use the modal score for the likelihood and impact of each corruption risk in the next activity.

Table 16. Example Likert-scale data analysis matrix

Participants	Corruption risks and scores									
	PD: What is the risk that the duration and timing of each step of the awards process can be manipulated?		PP: What is the risk that lodged applications will be deliberately mishandled?		CC: What is the risk that community leaders negotiating with a mining company will not represent the interests of women and men in the community?		ESIA: What is the risk there is no verification of the accuracy or truthfulness of SIA reports?		CF: What is the risk that whistleblowers will not be legally protected?	
	L	I	L	I	L	I	L	I	L	I
P1	4	3	2	4	3	5	2	3	3	2
P2	3	3	2	4	3	5	2	3	3	2
P3	2	3	3	3	3	4	2	3	3	2
P4	4	2	2	4	1	4	2	2	3	3
P5	4	4	2	4	1	4	3	1	3	2
P6…	4	3	4	3	3	4	2	3	2	2
Modal score for each risk	**4**	**3**	**2**	**4**	**3**	**4**	**2**	**3**	**3**	**2**

2.3 COMPLETE RISK ASSESSMENT WORKSHEET AND INTERPRET RESULTS

You can now start completing Worksheet C – Risk assessment. Completing Worksheet C will enable you to reach a conclusion about the overall risk rating.

The risk assessment worksheet is comprised of eight (8) items that should be completed in that order, as illustrated by Figure 6. You need to complete a separate worksheet with all eight items for each corruption risk. You can find this worksheet in Annex 3.

2.3.1 Add Likert scale responses to the worksheet

Start by recording the risk and the explanation of why it is a corruption risk (**item 1**) and its category code (**item 2**). Then, in the left-hand column add the modal scores for likelihood and impact from the Likert scale analysis (**item 3**).

Figure 6. Worksheet C – Risk assessment

1. Describe the risk and link to corruption

3. Likert scores for Likelihood and Impact

6. Describe potential impact

8. Circle risk rating after plotting on matrix

2. Code for risk

4. Evidence to support final score

5. Final scores for Likelihood and Impact

7. Calculate total score

What is the risk that...	Code
1-2 line explanation of why the event creates a risk for corruption:	PD

Likelihood	Interview evidence about likelihood	Final likelihood
Likert scale score	1. Source: 2. Source: 3. Source:	Score
X / 5	Desk Review evidence about likelihood 1. Source: 2. Source: 3. Source:	X / 5

Impact	Interview evidence about impact	Final impact
Likert scale score	1. Source: 2. Source: 3. Source:	Score
Y / 5	Desk review evidence about impact 1. Source: 2. Source: 3. Source:	Y / 5

Description of overall risk impacts (record this right after assessing impact to ensure you capture your ideas)

Assessment

Likelihood x Impact = X x Y   Total score: Z

Colour:	Blue	Green	Yellow	Orange	Red
Risk level:	Very low	Low	Moderate	High	Very High

2.3.2 Confirm likelihood and impact using other evidence

Your conclusions about the likelihood and impact of each risk must be supported by evidence that you can explain to others. The credibility of your assessment depends on using good quality information to support your judgement.

The responses to the Likert scale questionnaire represent the perspectives of the respondents and are one source of evidence. To complete Worksheet C, you also need to consider evidence from your desk review and interviews/focus group discussions to crosscheck these findings before assigning a final score for likelihood and impact.

This includes evidence of strengths that you recorded on Worksheet B, as the presence of relevant strengths will reduce the likelihood and/or impact of the corruption risk. To support your interpretation of the results later on, you might also find it helpful to record the corruption risks mitigated by the strengths in the second column of Worksheet B as indicated in Table 17.

Table 17. Sample Worksheet B with corruption risks recorded

Strengths Complete during Activities 1.2 & 1.3	Reducing corruption risks Complete during Activity 2.3
PD: There are clear and fixed timeframes for each step in the awards process.	PD: What is the risk that the duration and timing of each step of the awards process can be manipulated?

Include evidence about likelihood and impact from the desk review and interviews/focus group discussions at **item 4** of Worksheet C.

What does the evidence say about the likelihood and impact of the risk?

Likelihood: Consider these questions when analysing information from the desk review and interviews/focus group discussion about how likely it is the risk will occur:

- How long has the risk been a problem? Are there any examples of this risk occurring in the past?

- Consulting the strengths that you recorded on Worksheet B, are there any factors or measures in place to prevent or reduce the likelihood of the risk occurring? How well do they work?

Impact: Some questions to ask yourself when analysing evidence about the impact of the risk are:

- What kind of corruption can result from the risk? Is it "systemic" (almost always problematic) or "sporadic" (contained to "one-off" incidents), or something in between?

- What is the negative impact of the resulting corruption and who or what does it affect? See Table 18 about the gendered impacts of corruption risks that affect women.

- Consulting the strengths that you recorded on Worksheet B, are there any existing measures that mitigate or reduce the potential impacts of the corruption risk? How well do they work?

Table 18. Analysing the gendered impact of corruption risks

The specific way in which women experience the impact of a corruption risk varies depending on their role in the awards process – for example, as women living in project-affected communities; female artisanal or small-scale miners applying for a licence; or female staff of government agencies and companies.

You could analyse the impact of corruption risks on:

*   Women's voice in community decision-making

*   The safety of female artisanal and small-scale licence applicants

*   The livelihood and source of income of women and men in the community

*   The domestic roles of women and men in the community

How to decide on the final score?

Information collected in the desk review and interviews/focus group discussions may either confirm the Likert scale score, reduce the score, or may even provide objective reasons to increase your score in some cases. An example showing how evidence from the desk review and from interviews/focus group discussions can be used in the assessment to finalise the score for each risk is presented in Figure 7.

Having considered the evidence from the desk review and interviews/focus group discussions, decide on the final scores for likelihood and impact, record them at **item 5** on Worksheet C, and write a short description about the impact of the risk at **item 6**. Calculate the total score (**item 7**) by multiplying the score for likelihood and impact (likelihood x impact = total score).

Figure 7. Using desk review evidence and interview/focus group discussion data

What is the risk of external interference in the cadastre agency's awarding of licences etc.?		Code
External interference, such as by politicians, is often built into the design of a process, e.g., when ministers are given rights to veto or to "act in the interests of the state" on certain matters. However, unless such interference is guided by known criteria it creates opportunities for bias, undermines officials' decisions and may be motivated by bribery.		*PD*

| Likelihood

Likert scale score

3 / 5 | **Interview evidence about likelihood**

1. The Head of the cadastre agency is a member and supporter of the ruling party.
Source: Interview with investigative journalist and author of 'Mining a Party Affair' article in African Business magazine, 13-01-20.

2. Of the few court appeals to challenge the Minister's decision, none have been successful, likely because of the politicisation of the judiciary.
Source: Interview with Professor, Capital Law School, 14-03-21.

Desk review evidence about likelihood

1. The Minister of Mines has the power to direct the cadastre agency to award a licence to an applicant without reference to any decision-making criteria.
Source: Mines and Resources Act 1989, s 43.

2. Foreign mining companies have previously complained publicly in their home countries about political interference in the awarding of licences etc.
Source: Newspaper interviews with mining CEOs in Globe & Mail ('No Free Market', p.26, 22-03-16) and The Australian ('Mining Sector Politicised', p.46, 22-04-16). | **Final likelihood**

Score

4 / 5 |
| Impact

Likert scale score

4 / 5 | **Interview evidence about impact**

1. Some foreign mining companies have decided to withdraw from the country due to the challenges of obtaining licences and perceived favourable treatment of politically-connected local mining companies.
Source: Interview conducted with embassy of undisclosed country, 22-03-21.

Desk review evidence about impact

1. Media reports exist of foreign investors withdrawing because of interference.
Source: National Times article ('Investors Flee Our Corrupt System', 12-07-19, p.9) interviewing of four CEOs of mining companies that withdrew from country in 2018-2019.
2. A not-for-profit has identified bribes paid by foreign firms to the Minister for Mining, allegedly in return for exploration licences.
Source: 'Cash for Licences' briefing report by International Witness, 5-12-18. | **Final impact**

Score

5 / 5 |

Description of overall risk impacts

The authority of cadastre officials is undermined by political interference, causing their decisions and advice to be ignored. This has a potentially severe impact in that awards will be made in return for bribes or gifts, regardless of national laws, regulations or the technical merit of applications.

Assessment

Likelihood x Impact = X x Y   Total score: Z

Colour:	Blue	Green	Yellow	Orange	Red
Risk level:	*Very low*	*Low*	*Moderate*	*High*	*Very High*

How to identify the risk rating?

To identify the risk rating (**item 8**), use the colour coding matrix featured here in Figure 8. Plotting the risk on the matrix will reveal the corresponding colour code and therefore the overall risk rating. For the example used in Figure 7, a likelihood score of 4 and an impact score of 5 corresponds to the colour red – a risk rating of 'very high'. Circle the appropriate colour and risk rating at item 8 of Worksheet C.

Figure 8. Colour coding risk matrix

Likelihood		1 Insignificant	2 Minor	3 Moderate	4 Major	5 Catastrophic
	5 Almost Certain	5	10	15	20	25
	4 Likely	4	8	12	16	PD risk 20
	3 Possible	3	6	9	12	15
	2 Unlikely	2	4	6	8	10
	1 Almost impossible	1	2	3	4	5
		1 Insignificant	2 Minor	3 Moderate	4 Major	5 Catastrophic

Impact

2.3.3 Interpret the results

In terms of interpreting the results from the risk assessments, focus on making some meaningful observations about the patterns and trends in the risk categories - Contextual factors (CF), Process Design (PD), Process Practice (PP), Environmental and social impact assessment (ESIA), and Community consultation (CC). Is there any risk category that recorded more risks than the others? Are the high-scoring risks concentrated in a particular category? Why might this be? This information is very relevant when prioritising risks for action as it provides insights into the risk categories that require more attention.

You could also make some observations about patterns and trends related to:

The sources of risk: Are the risks mainly related to any particular institution or law? Are there any risks that arise multiple times from different vulnerabilities?

The context: If you have assessed several subnational jurisdictions or awards processes, do they differ in terms of the number of corruption risks and the rating of those corruption risks? What might be the reason for that difference?

The relationships between risks: How do the risks relate to each other? Are there any risks that increase the likelihood of other risks?

The types of impacts: Who or what is most affected by the risks? Consider the impacts on women as a distinct stakeholder group.

The stakeholder perspectives: Were some risks or risk categories rated higher by certain stakeholder groups? Why might this be?

The strengths: Looking at Worksheet B, do the strengths relate to particular risk categories or aspects of the awards process? Categories with fewer strengths indicate areas in need of reform or action.

03

VALIDATE AND PRIORITISE RISKS FOR ACTION

PHASE 3: VALIDATE AND PRIORITISE RISKS FOR ACTION

You will now validate the risk assessments and prioritise the corruption risks.

Phase 3 comprises two key activities that should take you four weeks to complete, as illustrated in Figure 9. First, you will validate the individual risk assessments with different stakeholders. Involving representatives from different stakeholder groups will help ensure that the overall assessment is credible and robust. Then, once the results are validated, you can proceed to determine the priority risks that you will take action on. You will not be able to address all the risks you assessed due to limited time and resources, so this step is crucial.

Figure 9. Phase 3 Activities

Validate the findings

1. Plan and hold stakeholder validation meeting(s) or workshop(s)

2. Adjust the scores and risk rating accordingly

»

Prioritise the risks for action

1. Use the criteria to prioritise the risks – urgency, impact, and feasibility

2. Complete the prioritisation table in Worksheet D

3.1 VALIDATE THE RISK ASSESSMENT

The overall risk assessment results including the scores, evidence and interpretation will need to be validated. A solid validation process involves the perspectives of different groups of stakeholders including women and men. Validating your results with different stakeholders will help minimise the potential for subjectivity and perceptions of bias in the risk assessment.

You are responsible for making a final judgement about whether you should make any changes to the assessment scores and risk ratings in response to the comments from validators. You should carefully consider the feedback received from validators. However, do not feel pressured to make changes that you do not believe are justified or represent the vested interests of one stakeholder group.

3.1.1 Who can validate the results?

You should ensure that representatives from government, business, civil society and community participate in validating the assessment of each risk. Ensure that the people that you choose have some knowledge or experience of awards process relevant to the risks. Participants who were involved in the Likert scale questionnaire and interviews/focus group discussions can also participate in validating the results. Make sure that women and women's groups are represented and try to have equal numbers of women and men. Refer to Annex 7 of the original MACRA Tool for guidance on ensuring women's participation in meetings.

3.1.2 How should they participate?

You may choose to hold a multi-stakeholder validation workshop, small group discussions and/or one-on-one meetings with selected stakeholders depending on the conditions in your country. You will need to pay attention to the power dynamics and the diverse capabilities of people to decide on the best format. Choosing to do a multi-stakeholder validation workshop or small group discussion can help bring different perspectives together that can generate interesting discussion. However, in cases where you anticipate tensions between stakeholder groups or that some stakeholder groups might be intimidated or reluctant to participate in a multi-stakeholder setting, hosting government-only or community-only validation workshops might be more appropriate. Similarly, one-on-one meetings may be a better option for involving key individuals such as senior government officials or ministers.

3.1.3 What should they validate?

Ask the validators for their views on the assessment of each corruption risk:

* How valid is the evidence you have relied on (Likert scale scores, evidence from interviews/ focus group discussions)? Is any evidence missing?

* Is the interpretation of the data on risk likelihood and impact reasonable?

* Are the conclusions (scores) reasonable? What scores would they give and why?

Ask the validators to explain their views to determine whether it is reasonable to adjust the scores you have assigned. Update the scores and risk ratings accordingly.

3.2 PRIORITISE THE RISKS

As you cannot address all the corruption risks you have assessed, it is important to determine which risks are priorities for action. It is advisable to select no more than four or five priority risks.

To prioritise risks for action, you need to use several criteria in addition to the score and colour category/ classification of the risk. You must be pragmatic about the risks you can target given the resources you have available and the timeframe for action.

The precise mix of risks that you prioritise should be based on:

- The urgency of the risk

- The impact you can make if you address this risk

- The feasibility of addressing the risk - considering stakeholder interest, resources available and time required

Use Worksheet D to bring together and evaluate this information to make a conclusion about whether the risk is a priority for action. Table 19 shows an example.

Table 19. Sample Worksheet D – Risk prioritisation

What tells me the risk is URGENT?	What tells me addressing the risk will have an IMPACT?	What tells me addressing it is FEASIBLE?			Is the risk a PRIORITY for action?
Score + Colour	Impact Score + Context	Stakeholder Interest + Resources			
Risk 1: What is the risk that landholders' rights are not observed or protected? Likelihood = 4 Impact = 5 **Total score = 20** ***Colour is RED*** *(Score + colour suggests risk level is very high)*	***Impact score** is 5/5, therefore addressing the risk will also have a big impact.* **Contextual factors:** There is increased public interest in mining, including harmful impacts on communities. Mining companies are frustrated with the government's lack of direction. It is a good issue, and now is a good time to lobby politicians.	**Stakeholders:** Mining companies and landholders are both interested in resolving this issue, but politicians and government officials are likely to be difficult.	**Cost:** Probably expensive. Action will require background research (but a foreign CSO is interested in funding this), followed by political lobbying and consultations.	**Time required:** It could take 2 years to get any meaningful change on this issue. Political lobbying and community consultation will be time consuming.	**Yes.** This is a costly and time-consuming risk, but stakeholders are interested, an opportunity for action exists, and it is a significant systemic issue. Will have flow-on effects for managing other risks.

04

TRANSITION FROM RESEARCH TO ACTION

PHASE 4: TRANSITION FROM RESEARCH TO ACTION

You are now ready to develop a targeted and effective action plan to address the priority risks.

Phase 4 comprises two key activities that you should be able to complete within two weeks, as shown in Figure 10. This phase helps you take your research from ideas to action. To be strategic, you will start by

formulating objectives to address the vulnerabilities underlying the priority corruption risks as the vulnerabilities are the root cause of the problem. Once you have set clear objectives, you can plan the activities and actions that will help you achieve your objectives and prevent corruption in the mining awards process.

Figure 10. Phase 4 Activities

Formulate objectives to address priority risks

1. Recall the vulnerabilities causing the priority risks

2. Formulate SMART objectives to address the vulnerabilities

»

Develop an action plan

1. Plan activities to achieve your objectives

2. Assign responsibility and resources for implementation

4.1 FORMULATE SMART OBJECTIVES TO ADDRESS THE PRIORITY RISKS

For an action plan to be effective, you need to define clear objectives setting out what you want to achieve in relation to your priority risks.

Recall the bowtie diagram in Activity 2.2 above that sets out the link between the vulnerabilities and the corruption risks. In order to prevent corruption and mitigate each priority corruption risk, you need a corresponding objective that addresses the underlying vulnerability that is the root cause of the risk. This is demonstrated by the examples in Table 20.

Table 20. Link between priority risks, underlying vulnerability and objective

Priority risks	Underlying vulnerability	Objective
People with knowledge of corruption in the awards process will not make a report. Whistle-blowers will not be legally protected.	There is no mechanism for whistleblowers to safely report corruption	1. To establish an effective complaints and whistleblowing mechanism for the mining sector in [your country] by December 2024
Criteria for awarding licenses will not be publicly known. The steps of an award process will not be clear and publicly known.	The relevant government websites do not display information about the awards and ESIA process and the legislation is hard to understand.	2. To ensure that the Ministries of Mining and Environment make information on the award process and criteria for Environmental Impact Assessments (EIAs) more accessible to all stakeholders
Community leaders negotiating with a mining company will not represent community members' interests. Assuming consultation with communities or landholders is required, their free, prior and informed consent will be ignored as result of corrupt practices.	Women and men in communities do not understand the awards process or their rights to participate in consultations. Local leaders tend to exclude others from discussions with companies.	3. To create awareness of existing frameworks for consultations and negotiations amongst CSOs and affected communities by 2021

Your objectives should be Specific, Measurable, Achievable, Realistic, and Time-bound (SMART). To formulate SMART objectives, you need to have a clear logic that informs the changes you want to achieve.

Guiding questions to inform the underlying logic of your objectives include:

- Geographic locations - If you are working on community consultation risks, are there new or significant mining projects which you could work in or target? Specify these areas in your objective.

- Legislative changes - Be specific in your objective about what legislative or institutional changes you want and make sure they are feasible within your designed timeframe for action. If you are hoping to amend certain laws or change institutional procedures, are there opportunities to do so within the time you have available?

- Stakeholder specific - Are there new or significant entrants to the mining sector in your country that you could aim to partner or work with? Are there specific parliamentarians or government officials you need to work with who are supportive or whose support you need to win?

If you do not have adequate information on these questions, you should consider some additional research to obtain the details you need.

Table 21. Examples of SMART objectives

- To raise awareness in five affected communities in XYZ district about the contents of the mining agreements that affect them by June 2022.

- To raise the level of consultation and involvement of community members by local leaders in decision-making processes on mining licensing by 2023.

- To work with the Ministry of Mines in establishing effective corruption reporting and whistleblowing mechanisms for the mining sector by December 2024.

- To implement reforms in the licensing process by doubling the financial and human capacity of their cadastre agency by December 2023.

4.2 DEVELOP AN ACTION PLAN

Formulating SMART objectives provides a solid and strategic basis for the action plan. Although detailed guidance on developing an action plan is beyond the scope of the Abridged MACRA Tool, Annex 4 contains a basic action plan template to guide you.

The action plan should set out the actions or activities you will carry out to achieve each of your objectives. It can be helpful to set some short- and medium-term milestones to work towards.

An action plan will specify:

- **What** actions will be taken to achieve the objective

- **Who** will take the actions

- **When** the actions will be completed

- **What** resources are needed (money, staff, expertise)

- **How** will you measure progress towards achieving the objective

Having completed all activities in the Tool, you can be confident that you have a solid and evidence-based foundation for achieving targeted and strategic changes to prevent corruption in the mining awards process in your country.

ANNEX 1: COMMON RISKS

NOTES:

This annex draws from the 83 common corruption risks in the original MACRA Tool to present examples from each of the five categories.

Under each risk, there is a scoring guide for likelihood and the impact. You are not limited to the suggested scores, but they may help you when analysing evidence of likelihood and impact from your desk review and interviews/focus group discussions.

Most of the common corruption risks listed here do not distinguish between licences, permits and contracts, but simply refer to "awards" or "awards processes".

The categories are broken down into several sub-categories:

Corruption risk categories

Context	1. Contextual factors (CF)	• Mining awards framework • Mining sector actors • Land rights • Anti-corruption legal framework
Awards process	2. Process design (PD)	• Application • Evaluation • Approval and oversight
	3. Process practice (PP)	• Application • Evaluation • Approval and oversight
Mining-related approvals	4. Environmental and social impact assessment (ESIA)	
	5. Community consultation (CC)	

CONTEXTUAL FACTORS (CF)

Corruption risks in the context in which the mining awards process takes place

MINING AWARDS FRAMEWORK

CF2. What is the risk that decentralisation of government decision-making (such as to agencies at the provincial or local government level) will create uncertainty in the awards process?

Decentralisation can create confusion and inefficiencies around communicating information and authorising licences, which create opportunities for corruption.

Likelihood: Suggest: 5/5 if decentralisation is already identified as a major problem causing uncertainty; 3/5 if decentralised agencies have some capability, but some uncertainty still exists; 1/5 if decentralisation does not contribute to uncertainty.

Impact: Suggest: 5/5 if decentralisation is causing systemic confusion and uncertainty; 3/5 if there is some uncertainty, but only in less significant areas; 1/5 if there is uncertainty caused by decentralisation, but it has a minimal impact.

CF3. What is the risk that cadastre staff and managers will be unable to cope with the workload of the agency?

Overwork and insufficient resources slow down the awards process, creating incentives for "speed money" and for officials to manipulate the process by working on selected applications.

Likelihood: Suggest 5/5 if understaffing or overwork is a widely acknowledged problem; 3/5 if there are occasional delays due to the agency's workload, but staff are usually able to cope; 1/5 if there are sufficient staff for the amount of work required.

Impact: Suggest 5/5 if systemic workload pressures and delays encourage widespread offers and requests for bribery and speed money; 3/5 if there are some delays and some corruption because of workload pressures, but only for less significant projects; 1/5 if corruption caused by workload or delays is highly unusual.

MINING SECTOR ACTORS

CF8. What is the risk that domestic state-owned enterprises (SOEs) will receive preferential legal treatment compared to other mining companies?

Preferential treatment for SOEs means the market for licences and permits may not be genuinely open to competition from private mining companies, creating incentives for private parties to bribe to access the market via partnerships.

Likelihood: Suggest: 5/5 if domestic SOEs always get preferential treatment; 3/5 if there is some preference for SOEs, but only if their applications are worthy; 1/5 if domestic SOEs never get preferential treatment.

Impact: Suggest: 5/5 if there is no effective private market for mineral rights even though there is supposed to be; 3/5 if the private market for mineral rights is narrow, but it exists for certain projects or minerals; 1/5 if there is minimal impact, e.g., because there are almost no private competitors anyway.

LAND RIGHTS

CF13. What is the risk that surface and land rights of women and men in areas being opened for mining are not clear in law?

Uncertainty around surface and land rights, such as for pasture and water, creates incentives and opportunities for corruption around which rights have precedence over other rights.

Likelihood: Suggest: 5/5 if confusion is widely acknowledged; 3/5 if there is some confusion, but only for certain rights; 1/5 if there is no confusion because rights are very clear.

Impact: Suggest: 5/5 if land rights are routinely ignored; 3/5 if there is some corruption and rights are ignored, but this is contained to projects of less significance; 1/5 if there is a minimal impact, e.g., because there are few uses for surface rights so it is not a significant issue.

ANTI-CORRUPTION LEGAL FRAMEWORK

CF16. What is the risk that senior public officials or politicians will not declare assets, shares or income related to mining interests?

When governments require declarations of wealth and business interests it helps to identify and manage conflicts of interest that could lead to corruption in the awards process and creates a psychological deterrent to corruption by requiring public officials and politicians to lie if they want to hide mining interests.

Likelihood: Suggest 5/5 if there are no requirements to declare such interests, or undeclared interests are normal; 3/5 if there are some requirements to declare, or many politicians make declarations; 1/5 if there is tight scrutiny and laws around officials' and politicians' private interests.

Impact: Suggest: 5/5 if there are multiple cases of politicians and officials with an influence over the awards process and interests in mining projects being awarded licences; 3/5 if there are few such cases; 1/5 if there is minimal impact, e.g., because politicians and officials lack such interests in the first place.

CF18. What is the risk that whistleblowers will not be legally protected?

Laws to encourage and protect whistleblowers are critical to developing and maintaining anti-corruption reporting systems.

Likelihood: Suggest: 5/5 if no whistleblower protection laws exist; 3/5 if there are some protections for whistleblowers; 1/5 if strong laws exist and whistleblowers always protected.

Impact: Suggest: 5/5 if there is widespread persecution or retribution against whistleblowers; 3/5 if some whistleblowers experience persecution sometimes; 1/5 if there is minimal impact, e.g., because there is no practice of persecuting whistleblowers anyway.

PROCESS DESIGN (PD)

Corruption risks in the design of the awards process
(laws, regulations, administrative orders, policy)

| Application | Evaluation | Approval and oversight |

PD4. What is the risk that criteria for awarding licences etc. will not be clear or publicly available?

If criteria, including technical and financial criteria, for awarding licences etc. are not clear, this creates opportunities for manipulation and interference in the process.

Likelihood: Suggest: 5/5 if criteria are not known at all; 3/5 if some criteria are known, but other important criteria are not; 1/5 if criteria are publicly available, e.g., published online.

Impact: Suggest: 5/5 if the reasons companies win awards are impossible to understand, at least officially; 3/5 if there is some information about why companies win awards; 1/5 if there is minimal impact, e.g., because there is little actual mining, or mining is only ever done by a SOE anyway.

PD6. What is the risk that the details of all companies applying or competing for a licence etc. will not be made public?

Disclosure of all applicants competing for a licence reduces the risk that shell companies, companies owned by politicians or mining officials, or companies that have had no due diligence checks, will become involved in a project.

Likelihood: Suggest: 5/5 if all firms competing for a licence are never disclosed; 3/5 if there is partial disclosure (this is probably unusual); 1/5 if all applicants are always publicly disclosed.

Impact: Suggest: 5/5 if firms with undesirable backgrounds or compromised ownership (e.g., they are owned by politicians) appear to be routinely awarded licences; 3/5 if some undesirable applicants are awarded licences, but only for less important projects; 1/5 if there is minimal impact, e.g., because reputable firms always win projects anyway.

Application	Evaluation	Approval and oversight

PD12. What is the risk that the duration and timing of each step of the awards process can be manipulated?

Unless the there are set timeframes for completing each step of the awards process, deadlines for payments or renewals of licences can be manipulated for corrupt purposes.

Likelihood: Suggest: 5/5 if officials have full discretion over the duration and timing of steps, and their discretion is never checked or controlled; 3/5 if some, less important, steps of the awards process can be manipulated; 1/5 if manipulation never happens due to tight controls or checks, e.g., because there is full automation.

Impact: Suggest: 5/5 if there is systemic manipulation of the duration and timing of the steps in the awards process for all applications; 3/5 if there is some manipulation in less important steps of the process; 1/5 if other controls and checks prevent corruption, even if manipulation is possible.

PD14. What is the risk of external interference in the cadastre agency's awarding of licences etc.?

External interference, such as by politicians, is sometimes built into the design of a process, e.g., when ministers are given rights to veto or to "act in the interests of the state" on certain matters. However, unless such interference is guided by known criteria it creates opportunities for bias, undermines officials' decisions and may be motivated by bribery.

Likelihood: Suggest: 5/5 if the cadastre agency's awarding of licences etc. is completely politicised; 3/5 if political figures get involved in projects of significant public interest only; 1/5 if there is no outside interference and technocrats make awards decisions.

Impact: Suggest: 5/5 if the market for exploration and production licences etc. is neither competitive nor merit-based as a result of interference in awards decisions; 3/5 if there is some interference creating some uncertainty around the criteria for being awarded a licence etc.; 1/5 if there is minimal impact, e.g., because there is little actual mining.

PD15. What is the risk that the applicant awarded a licence etc. will not be publicly announced?

Lack of transparency in the awarding of licences to successful applicants is a red flag for possible substitution of other companies onto the application or an attempt to cover-up corruption in the awards process.

Likelihood: Suggest: 5/5 if successful applicants are never announced; 3/5 if there are delays in announcements, but announcements are eventually made; 1/5 if announcements are always made promptly.

Impact: Suggest: 5/5 if there is systemic manipulation of "successful" applications, e.g., other companies becoming involved in the bid after the award; 3/5 if there are delays in announcements, or a lack of announcements, that facilitate minor manipulation; 1/5 if there is no impact, because even if successful applicants are never announced manipulation still never happens.

PD25. What is the risk that a licence, permit or contract will be transferred to another owner without any transparency or regulation of the transfer?

A lack of controls on the transfer of licences etc. can allow corrupt cadastre officials to permit or arrange this to occur without it coming to the attention of the public or even other government authorities. This can prevent the government from regulating the sale of licences or collecting any transfer fees, and allow undesirable owners (e.g., with a criminal background) into the mining sector.

Likelihood: Suggest: 5/5 if such transfers are frequent and widespread; 3/5 if such transfers happen occasionally; 1/5 if this kind of transfer has never been reported or would be highly unusual.

Impact: Suggest: 5/5 if undesirable company owners are widespread in the mining sector and there are difficulties holding them to account for their activities; 3/5 if there are some undesirable owners and some difficulties regulating owners, but only in less important areas; 1/5 if there is a minimal impact, e.g., because while transfers occur, it is only for very insignificant projects.

PROCESS PRACTICE (PP)

Corruption risks in the way the awards process is implemented

| Application | Evaluation | Approval and oversight |
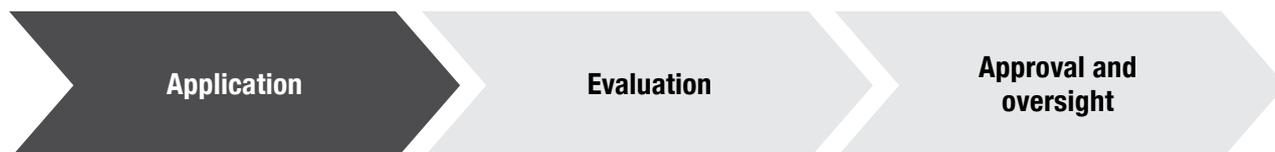
PP3. If a "first come, first served" system is in place, what is the risk that the first applicant will not be awarded the licence or permit?

Unless there is an automated system that records the time and order of an application submission, it may be possible for officials to corruptly manipulate which applicant is announced as first.

Likelihood: Suggest: 5/5 if first applicants are routinely not awarded a licence or permit even though they should be according to the procedure in place; 3/5 if first applicants sometimes do not get awarded a licence or permit, but only in unusual circumstances; 1/5 if the first applicant always receives the licence or permit.

Impact: Suggest: 5/5 if there is widespread corruption around who is announced as being the first applicant to apply for a licence etc., or if there is no guarantee of licence rights even when an applicant is acknowledged as being first; 3/5 if first applicants occasionally do not receive licences etc., but only for less significant projects; 1/5 if there is minimal impact, e.g., because the "first come, first served" system only applies to very insignificant projects.

PP10. What is the risk that the face-to-face application process will expose female licence applicants to sexual extortion?

Sexual extortion is a gender-based form of corruption, most likely to be seen in the awards process in the small-scale and artisanal mining sector because women depend on the sector for their livelihood. Having to deal directly with licensing officials as the sole, individual applicant may expose women to demands for sexual favours in exchange for processing their application. Face-to-face application processes increase the opportunities for government officials to demand sexual favours from women (instead of money) in exchange for accepting or processing their licence application, etc.

Likelihood: Suggest 5/5 if there is evidence (anecdotes or reports) of female licence applicants being asked for sexual favours when they submit or follow up on their applications in person; 3/5 if some efforts are being made to reduce face-to-face interaction, for example government officials are usually not alone with a female applicant; 1/5 if government officials are never alone with female applicants.

Impact: Suggest 5/5 if survivors of sexual extortion report extensive health, social and economic impacts because of sexual extortion and the lack of redress mechanism to report the abuse; 3/5 if there is some support available that helps survivors report and deal with the abuse; 1/5 if there is no impact because applicants have no direct contact with government officials.

PP12. What is the risk that lodged applications will be deliberately mishandled?

If applications can be mishandled (e.g., if they are submitted on hardcopy forms to officials, rather than lodged online), this creates opportunities for applications to be deliberately "lost", or processing to be deliberately slowed unless a bribe is paid.

Likelihood: Suggest: 5/5 if applications are routinely lost, moved up or down the queue for processing, or are altered; 3/5 if there is some mishandling, but this is unusual; 1/5 if such mishandling never occurs, e.g., because the awards system is automated or there is extremely good records management.

Impact: Suggest: 5/5 if applicants can never be certain that their applications are treated properly (unless a bribe is paid); 3/5 if there is some confusion around handling of applications, but this is unusual; 1/5 if there is minimal impact, because the cadastre agency responds quickly and thoroughly if applicants complain about mishandling.

PP14. What is the risk that in practice there is inadequate due diligence on applicants' integrity, such as past lawful conduct and compliance?

An absence of background checks on integrity could mean that criminal interests or past illegal behaviour are overlooked, allowing applicants with a high likelihood of engaging in corruption into the mining sector.

Likelihood: Suggest: 5/5 if integrity checks never done; 3/5 if there are some checks sometimes, but less important applicants are often not checked; 1/5 if due diligence on integrity is always done.

Impact: Suggest: 5/5 if there is a widespread presence of undesirable firms in the mining sector due to inadequate integrity checks; 3/5 if there are some undesirable firms in the sector, but these seem to create only limited problems; 1/5 if there is a minimal impact, e.g., because although integrity checks are not performed, only applicants with good reputations seem to operate in the sector anyway.

| Application | Evaluation | **Approval and oversight** |

PP18. What is the risk that permits or licences will be awarded without required authorisation from other departments (e.g., indigenous affairs, social affairs, environment, water) or levels of government (e.g., local government)?

Obtaining a licence often involves gaining approvals from numerous government agencies. When another agency is likely to object to an application or impose tight conditions (e.g., over land or water use), the mining company may engage in corruption (such as bribing cadastre officials) to minimise input from these other agencies.

Likelihood: Suggest: 5/5 if awards are always made without necessary authorisations by other government organisations; 3/5 if required authorisations are sometimes made without necessary authorisation from other government organisations, but not for anything important; 1/5 if required authorisations are always obtained.

Impact: Suggest: 5/5 if there is systemic confusion or uncertainty around mining rights due to the full set of requirements not being obtained; 3/5 if there is some confusion or uncertainty about mining rights due to required authorisations not being obtained, but only for less significant projects; 1/5 if there is minimal impact, e.g., because additional required authorisations only concern insignificant issues.

PP19. What is the risk that there will be inadequate monitoring of compliance with mining licence or permit obligations?

Where licence applicants know that government monitoring and enforcement is weak they could dishonestly commit to licence conditions with which they have no intention of complying. Responsibilities for monitoring should be clearly defined; results should be publicly available; and if companies are allowed to self-report, it must be to international standards and open to audit.

Likelihood: Suggest: 5/5 if monitoring of licence- and permit-holders never occurs; 3/5 if there is some monitoring of some projects, but monitoring is inadequate; 1/5 if comprehensive monitoring always occurs.

Impact: Suggest: 5/5 if there are widespread breaches across significant issues in many mining projects, and no one is held accountable; 3/5 if there are some breaches in less significant areas of projects, but investigations are inadequate; 1/5 if there is minimal impact, e.g., because despite monitoring being inadequate, mining companies routinely adhere to licence conditions.

ENVIRONMENTAL AND SOCIAL IMPACT ASSESSMENT (ESIA)

ESIA2. What is the risk there is no verification of the accuracy or truthfulness of EIA reports?

If EIA reports are not verified, it allows stakeholders to be misled about the environmental impacts of a mine. Companies can corruptly manipulate environmental data, including creating false baselines for environmental data and falsifying impacts.

Likelihood: Suggest 5/5 if EIAs are never verified; 3/5 if EIA reports are sometimes verified, or if the most important parts of EIAs are always verified; 1/5 if EIAs are always verified.

Impact: Suggest 5/5 if there is frequent and widespread misrepresentation or hiding of serious environmental impacts in EIAs; 3/5 if some environmental impacts are not reported or revealed, but only ones that are less significant; 1/5 if there is minimal impact, e.g., because other mechanisms exist to identify environmental impacts.

ESIA3. What is the risk that EIA reports will not be publicly available or accessible once finalised?

Uncertainty around the content of EIAs can facilitate corruption if women and men from affected communities and other stakeholders do not know what issues have been raised or ignored.

Likelihood: Suggest: 5/5 if EIA reports are never made publicly available or are available but are overly technical and no efforts are made to simplify them and make them accessible to women and men in communities; 3/5 if some reports are available for some projects or if some efforts have been made to simplify the report and make it accessible; 1/5 if EIA reports are always made publicly available and the most significant aspects are written in simple language that can be easily understood by women and men in communities.

Impact: Suggest: 5/5 if it is impossible to know EIA recommendations and findings, and therefore difficult to make mining companies accountable for addressing environmental issues; 3/5 if EIA recommendations and findings are sometimes known, but only for less significant projects; 1/5 if there is minimal impact, e.g., because environmental issues related to the project are already publicly known to women and men in the communities and the EIA report has less significance.

COMMUNITY CONSULTATION (CC)

CC4. What is the risk that community leaders negotiating with a mining company will not represent the interests of women and men in the community?

Community leaders who are only weakly accountable to their community members, or who are aligned to the ruling political party, have a network of business interests and contacts, or have few other sources of income, present a corruption risk to the integrity of community agreements because they have incentives to pursue private interests instead of community interests.

Likelihood: Suggest: 5/5 if women and men from the community have no way of holding their leaders to account; 3/5 if they have some way of holding them to account; 1/5 if community leaders are accountable to the community they represent.

Impact: Suggest: 5/5 if community leaders routinely use negotiations to pursue their own interests to the detriment of the rights and interests of women and men from their community; 3/5 if this happens sometimes but is uncommon; 1/5 if there is a minimal impact, e.g., because other mechanisms exist to protect the interests of women and men when community leaders do not do this.

CC6. What is the risk that the content of final agreements between mining companies and communities or landholders will not be publicly available or accessible?

Unless there is full transparency about the content of landholder agreements, there is uncertainty around what rights women and men have to protections, compensation or other benefits, allowing these rights to be manipulated by companies, community leaders or officials. For example, leaders might steal compensation packages, or companies might pay bribes to officials and leaders to reduce what is actually delivered in practice.

Likelihood: Suggest: 5/5 if the content of final agreements is never announced nor discussed with women and men from the communities; 3/5 if important content is usually announced and discussed, but not for all projects; 1/5 if the details of final agreements are always fully announced and discussed.

Impact: Suggest: 5/5 if there is widespread exclusion or unequal treatment particularly of women and marginalised groups as a result of lack of transparency and accountability around final agreements; 3/5 if there is some marginalisation or neglect of issues, but only for a small number of communities; 1/5 if there is minimal impact, e.g., because even if final agreements are not known, other mechanisms exist to protect the interests of women and men or compensate them.

CC9. What is the risk that gender inequality will prevent women from participating in community decision-making about development or compensation agreements with companies?

When women cannot participate in community decision-making due to gender norms, it is harder for them to ensure traditional leaders will make decisions in the best interests of all members of the community. As a result, leaders – often men – are less accountable and more easily able to negotiate agreements for their personal benefit.

Likelihood: Suggest 5/5 if women are always excluded in community decision-making and no efforts are being made to address the gender inequality that prevents them from participating; 3/5 if there are some efforts being implemented to enable women to participate; 1/5 if there are conscious efforts to address participation barriers faced by women as a result of gender inequality and women are properly represented or directly participating in community decision-making.

Impact: Suggest 5/5 if leaders do not address women's concerns and needs in their decisions and women tend to lose out in any deals and development plans; 3/5 if women's concerns and interests are somewhat considered in the deals and development plans; 1/5 if women's concerns and interests are fully considered in the deals and development plans.

ANNEX 2: ADMINISTRATIVE GUIDANCE

To successfully implement the Abridged MACRA Tool, it is important to consider the time and human resources required to complete all activities.

This annex offers guidance on the anticipated time for implementing the tool as well as the responsibilities involved. Such insights can help implementing organisations to reflect on their capacity to carry out the corruption risk assessment and whether the support of an external consultant will be required and, if so, how to manage roles and responsibilities. This will help ensure confidence in the quality of assessment and the results.

TIMEFRAME

The tool has four phases with different activities in each phase. Completing all four phases is estimated to take four months.

This timing may vary depending on the scope of the assessment and the number of stakeholders the implementing organisation involves. An implementing organisation that chooses a narrow scope with fewer stakeholders (for example, specifically focusing on license renewals/transfers rather than the entire awards process) may require less time.

Phases	1st month		2nd month		3rd month		4th month	
	Weeks 1-2	Weeks 3-4	Weeks 5-6	Weeks 7-8	Weeks 9-10	Weeks 11-12	Weeks 13-14	Weeks 15-16
Identify vulnerabilities and strengths	• Define scope • Conduct desk review • Conduct interviews/FGDs							
Assess the corruption risks			• Identify corruption risks • Gather Likert scale responses • Complete risk assessment and interpret results					
Validate and Prioritise risks for action					• Organise a validation workshop/ one-to-one sessions • Identify priority risks			
Transition from research to action								• Formulate SMART objectives • Start developing an action plan

HUMAN RESOURCES

Considering who will take a lead role in implementing the tool is critical. Organisations that do not have the time or internal capacity or expertise to carry out the activities in the tool could engage an external consultant. Equally, organisations may choose to implement the tool directly without the support of an external consultant.

No matter who implements the tool, the implementing organisation must have processes in place to ensure that knowledge about the tool and the risk assessment results is retained within the organisation.

The table below shows one way of defining roles if the implementing organisation/agency decides to hire a consultant. This is based on the experience in Transparency International's Accountable Mining Programme.

Actors	Roles and responsibilities
Project Coordinator/Supervisor (Implementing organisation/agency)	• Supervise the research activities carried out by the consultants. • Review research deliverables developed by consultant. • Lead on making strategic decisions about the scope and focus of the risk assessment. • Lead on multi-stakeholder outreach and engagement activities in implementing the tool.
Consultant(s)	• Participate in making strategic decisions about the scope and focus of the risk assessment. • Conduct research using the tool. • Develop the deliverables as per the chosen scope for the project.

ANNEX 3: WORKSHEETS

There are four worksheets to be completed as part of the Abridged MACRA Tool.

Worksheets A and B are to be used during the desk review and interviews/focus group discussions in Phase 1 to record all identified vulnerabilities and strengths respectively. Worksheet C is to be used for the risk assessment in Phase 2. Worksheet D is to be used in Phase 3 for the prioritisation of corruption risks.

Worksheet A – Vulnerabilities and risks

Vulnerabilities (Complete during Activities 1.2 & 1.3)	Resulting corruption risks (Complete during Activity 2.1)

Worksheet B – Strengths and risks

Strengths (Complete during Activities 1.2 & 1.3)	Reducing corruption risks (Complete during Activity 2.3)

Worksheet C – Risk assessment

What is the risk that... *1-2 line explanation of why the event creates a risk for corruption:*		Code
Likelihood Likert scale score **X / 5**	**Interview evidence about likelihood** **1.** **Source:** **2.** **Source:** **3.** **Source:** **Desk review evidence about likelihood** **1.** **Source:** **2.** **Source:** **3.** **Source:**	**Final likelihood** Score **X / 5**
Impact Likert scale score **Y / 5**	**Interview evidence about impact** **1.** **Source:** **2.** **Source:** **3.** **Source:** **Desk review evidence about impact** **1.** **Source:** **2.** **Source:** **3.** **Source:**	**Final impact** Score **Y / 5**

Description of overall risk impacts

(record this right after assessing impact to ensure you capture your ideas)

Assessment

Likelihood x Impact = X x Y   Total score: Z

Colour:	Blue	Green	Yellow	Orange	Red
Risk level:	*Very low*	*Low*	*Moderate*	*High*	*Very High*

Worksheet D – Risk prioritisation `

What tells me the risk is URGENT?	**Risk #:** Likelihood = Impact = **Total score =** ***Colour is...*** *(Score + colour suggests risk level is...)*	**Risk #:** Likelihood = Impact = **Total score =** ***Colour is...*** *(Score + colour suggests risk level is...)*
What tells me addressing the risk will have an IMPACT?	**Impact score** is... **Contextual factors:** ...	**Impact score** is... **Contextual factors:** ...
What tells me addressing it is FEASIBLE?	**Stakeholders:** ...	**Stakeholders:** ...
	Cost: ...	**Cost:** ...
	Time required: ...	**Time required:** ...
Is the risk a PRIORITY for action?	**Yes/No.** ...	**Yes/No.** ...

ANNEX 4: ACTION PLAN TEMPLATE

Having an action plan helps you stay focused and achieve the change needed to address the priority corruption risks. You can use this basic action plan template for each of the objectives you defined in Phase 4. The action plan sets out the actions or activities that will be taken to achieve the objective, who is responsible for implementing each of the actions, by when and what resources are required.

Worksheet A – Vulnerabilities and risks

Priority corruption risk(s)			
Objective			
Indicators of progress			
Actions/Activities (What will be done)	Actor responsible (Who will do it)	Timeframe for action (By when)	Resources required (Funding/people/ materials)

NOTES