Advancing Accountable Resource Governance In Asia Pacific

TRAINING MODULE

Yogyakarta,
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DPP
Departemen Politik &
Pemerintahan Fisipol UGM

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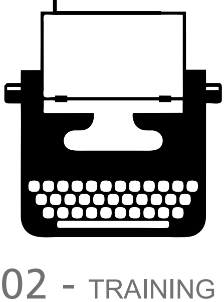
PREFACE

Improving the governance of extractive industriesis an important agenda for any country that is rich in natural resources. For countries in the Asia Pacific region, it is important to ensure that natural resources provide benefit for all group in society through the most efficient and effective manner. Asia Pacific Hub for better governance of extractive industries (Aspachub),under the auspices of Department of Politics and Government (DPP), UniversitasGadjahMada and Natural Resource Governance Institute (NRGI), has a particular mission to be the knowledge hub of extractive industries reform in the region. In this context, the Asia Pacific hub manages the annual training toenhance the competency of various stakeholders in improving the governance of extractive industries in the region.

In principle, DPP and NRGI try to combine the technical dimensionandthe political-economy of extractive industries in the training. Despite thisambi

tion, the training must take into account the two weeks time frame and thus only include key aspects of extractive industries governance in the discussion. Additionally, the training committee tries to balance the content by giving an appropriate amount of conceptual understanding and a more practical skill to increase the participants' knowledge and competency. Nevertheless, some aspects are elaborated in a more in-depth manner than other aspects due to technicalities.



The annual training has been evolving for the past few years.In a way, the perpetual changes reflect the on-going effort to improve the quality of the training by updating the materials as well as the training method.However, the current training module is heavily indebted to many experts, practitioners, and academics who were collaboratively developthe previous training module.

Building from the previous editions, the training is structured into five parts: (1.) Training introduction – Setting the stage, (2.) Deciding to extract and getting a good deal, (3.) Managing resource revenues, (4.) Strategies and practices for reform, and (5.) Training closure – Wrap up and action plan. Training introduction and closure are parts of the training that set the stage at the beginning and tie all the training materials at the end. Meanwhile, three parts in the middle of the training are thematic components that represent the most important aspects of extractive industries governance.In addition, a field visit to Bojonegorodistrict in Central Java is structured as part of the managing resources revenues thematic componentthat facilitates the training participants to get the sense of extractive industries governance at the subnational level.

The current training module provides the session plan in each part of the training. Each session plan consists of a brief summary on the session, the session objective, topic and sub-topics, key questions, method of delivery and reference if applicable. As explained before, most of these session plans are developed by resource persons inthe previous batches training. In the current edition, the team of facilitator specially use two documents: "Natural Resource Charter" and "Natural Resource Charter Benchmarking Framework" as inspirations for the training structure and the guiding questions. Nonetheless, all deficiencies in this version remain the responsibility ofAspachub and we welcome any feedback for further improvement.

Yogyakarta, January 2017
Team of Facilitator

Training Introduction – Setting the Stage

The training introduction plays a crucial role to ensure that the participants will have adequate information on the training setup and a glimpse of extractive industries governance. This first part of the training consists of three sessions as follow.

Session 1 - Overview

The first session of the training is organized in a semi-formal setting so that it can facilitates connectionsamong participants and between participants and the organizing committee. In addition to personal introduction, this session also serves as a medium for participants to express their expectation and concern about the training. Furthermore, a brief presentation about the setting of the training and its surrounding will help participants to acclimate with the training environment.

Objective:

1. To create connections among participants and between participants and the organizing committee
2. To make the participants settle in the training environment (e.g. Universitas Gadjah Mada, Polgov)
3. To identify and anticipate participants'expectation and concern regarding the training

Topic and sub-topics:

1. Participants' and organizing committee's professional background and other relevant information
2. Introduction to the team of facilitator and the training program
3. Introduction to Universitas Gadjah Mada,Polgov and Asia Pacific Hub for the Governance of Extractive Industries/RegINA program
4. Training logistic arrangements (hotel, transportation, RegINA website, etc.)

Key Questions:

1. Where do you work and how is your work relates to extractive industries?
2. Who are the team of facilitator and what are their role in the training?
3. What are the relationships between Universitas Gadjah Mada, Polgov, and Asia Pacific Hub for the Governance of Extractive Industries/RegINA program
4. How can the participants travel between hotel and the university?

Method:

- Interactive exercise
- Presentation and discussion

Session 2 - Public Lecture and Formal Opening

As part of the formal opening of the training, the Dean of Social and Political Sciences Faculty, UniversitasGadjahMada, will provide an opening remarks. This opening remark is dedicated to welcome all participants and resources persons to the university. In addition, CEO of PT Pertamina (Indonesia State-Owned Oil and Gas Company)will provide a public lecture on the role of State-Owned Company in the oil and gas governance in Indonesia. This particular session will be open for public as part of the training promotion and also an opportunity for the participant to engage with the broader academic community in Universitas Gadjah Mada.

Objective:

1. To welcome the training participants and resources person in a formal setting
2. To provide an overview about extractive industries governance, especially through the role of state-owned company in Indonesia
3. To create networking and forum for participants to interact with the broader academic community in the Faculty of Social and Political Sciences, Universitas Gadjah Mada

Topic and sub-topics:

1. Overview of the Faculty of Social and Political Sciences in particular and Universitas Gadjah Mada in general
2. Overview on the role of PT Pertamina as a state-owned company in oil and gas governance

Key questions:

1. What is setting of the Faculty of Social and Political Sciences in Universitas Gadjah Mada?
2. What is the contribution of oil and gas sector to the state in Indonesia?
3. How PT Pertamina carries out its mandate as the national state-owned company?
4. What are the challenges of governing oil and gas in Indonesia?

Method:

- Public lecture
- Informal discussion during lunch

Session 3 – Countries' Governance Challenges

The final session of the first part of the training deals with the fundamental information about the governance of extractive industries on each participants' country. This includes the main governance challenges, key actors, and social/political/economic impacts of extractive industries at the national or sub-national level. Participants are required to write an essay about this topics and selected participants will present their writing. At the end of the session, the facilitator team will provide a highlights from all presentations and identify similarities and differences between countries.

Objective:

1. To create a shared fundamental notions about the context of natural resource governance in each participant's country
2. To identify similarities and differences between countries

Topic and sub-topics:

1. Main governance problem(s) of extractive industries
2. Key actors in the governance of extractive industries
3. Social/political/economic impacts of extractive industries

Key questions:

1. What is the main problem of governing natural resources at the national/sub-national level?
2. Who are the key actors in the governance of natural resources?
3. What are the social/political/economic impacts of the main problem that you have mentioned?

Method:

- Presentation
- Discussion

Thematic Component 1 – Deciding to Extract & Getting a Good Deal

Upon completing the introduction, the training is moving into the second part. This part is also the first thematic component namely deciding to extract and getting a good deal. In principle, there are four key considerations that should be taken into account to decide whether or not natural resources will be extracted and to ensure that this decision resulted in a good deal. These are: business consideration, geological consideration, social-environmental impact consideration, and fiscal consideration. Sessions in this thematic componentwill be delivered in three full days.

Session 4 – Business Consideration

The first thematic component starts with the business consideration in deciding to extract and getting a good deal. From a practitioner perspective, the resource person will explains the main economic considerations that drive the extractive industries, particularly for oil and gas.On top of that this session also provides an overview on the oil and gas industry as one of the most important commodities in the extractive industries.

Objective:

1. To create a mutual understanding on the concept of extractive industries
2. To explain the contribution of oil and gas industry to the revenue stream

Topic and sub topics:

1. The origin and the extraction process of oil and gas
2. Revenue stream from oil and gas industry
3. The philosophy and the structure of production sharing contract
4. The paradox of oil and gas resources

Key Questions:

1. What are the nature of oil and gas exploration and exploitation?
2. What makes the oil and gas industry at the center of the economy?

Method:

- Presentation
- Discussion

Session 5 – Geological Consideration

This session discusses the nature of extractive industries, particularly in term of their exploration and exploitation characteristics and its impact to several aspect which lead to unique characteristics of extractive industries. Extractive industry in fact is giving enormous financial contribution to a country, but it also has several risks which may cause some refusal. Focus will be on the oil and gas industry, whereas other earth resources industry will be introduced.

Objective:

1. The objectives of this session is to introduce the nature of extractive industry and its characteristics that may lead to acceptance or refusal on its activity
2. Participants are able to define what extractive industry is and understand how the commodities (especially petroleum, coal and mineral) are extracted. Besides that, they know the characteristics of extractive industry which may lead to acceptance or refusal on its activity by the community

Topic and sub topics:

1. Petroleum, coal and other mineral resources extraction, accumulation, and reservoir
2. Geological mapping to explore petroleum, coal, and other mineralresources
3. Traditional vs modern production of petroleum, coal, and other mineral resources

Key Questions:

1. How are the occurrence of extractive commodities (especially petroleum, coal and mineral) in the nature?
2. How to explore and exploit them? What knowledge needed?
3. What is the effect of the exploration and exploitation method to risk and financial aspect?

Method:

- Presentation
- Discussion
- Case-based learning

Reference:

- Brown, C.E., 2002, World Energy Resources, Springer-Verlag, Berlin Heidelberg
- BP, 2015, BP Statistical Review of World Energy June 2015
- Hyne, N.J., 2001, Nontechnical Guide to Petroleum Geology, Exploration, Drilling and Production, 2nd Ed. PennWell Corp., Oklahoma
- International Alert, 2005, Conflict-Sensitive Business Practice: Guidance for Extractive Industries
- Kesler, S.E., 2007, Mineral Supply and Demand into the 21st Century, Proceedings, Workshop on Deposit Modeling, Mineral Resource Assessment and Sustainable Development, USGS
- UNDP, 2012, Strategy Note, UNDP's Strategy for Supporting Sustainable and Equitable Management of the Extractive Sector forHuman Development

Session 6 – Social-Environmental Impact Consideration

A comprehensive understanding of socio-environmental impact is needed for academics, bureaucrats, as well as civil society activists to engage with the extractive industries issues. This session aims to help participants to gain a thorough understanding of the extractive industries operation and the associated risks. Thus, the participants may acquire better appreciation of the unique biophysical characteristics and the known social issues attached to the use of natural resources. This session also aims to provide participants with the capacity to implement meaningful and effective instruments and is also important to developing participant's skills to manage or mitigate social and environmental risks and estimate downstream economic benefits once an extractive operation is underway.

After completing this session, the participant is expected to understand three aspects. First, to become sufficiently acquainted with extractive industries operations and specific risks.Second, to implement Environmental Impact Assessments (EIA) and Free, Prior and Informed Consent (FPIC) processes more effectively.Third,to gain awareness of some international extractive industriesstandards and their potential application in the region.

Objective:

1. To understand the basic concepts and principles of environmental and social assessment and stakeholders' accountability
2. To learn about the international framework and standards on social-environmental safeguards

Topic and sub-topic:

1. Framework in understanding the risks and impacts associated with extractive industries
2. Environmental Impact Assessment (EIA) and Free, Prior and Informed Consent (FPIC)
3. Stakeholder monitoring and promoting social accountability

Key Questions:

1. What are the social and environmental risks/impacts of extractive industries?
2. How do different stakeholders mitigate the extractive industries' effect on environment and the community?

Method:

- Presentation
- Group discussion

Reference:

- Burdge, R. J. (2003). Benefiting from the practice of social impact assessment. Impact Assessment and Project Appraisal, 21(3), 225-229. doi: 10.3152/147154603781766284
- Vanclay, F. (2003). International Principles For Social Impact Assessment. Impact Assessment and Project Appraisal, 21(1), 5-12. doi: 10.3152/147154603781766491

Session 7 – Fiscal Consideration

In order to help their countries generate strong revenue flows from the extractive industries, it is important for civil society activists, bureaucrats, and also academics to develop a strong understanding of the terms that govern the flows of revenues between companies and governments. The course will provide a strong background on the financial rules included in contracts and legislation that set payment obligations, and the interaction among various elements of the extractive industries legal system.

The participants will perform a simple modeling exercise delivered by the facilitator and resource person. After the course, the participants are expected to advocate and strengthen their institutions with their knowledge.

Objective:

1. To equip participants with the knowledge on the fiscal considerations
2. To illustrate the operation of fiscal system through a case study

Topic and sub-topic:

1. Introduction to legal hierarchy and key contract forms and terms prevalent in the oil and mining industries
2. The structure of fiscal systems and key terms that will enlighten the participants on differentiating and analyzing major revenue streams such as royalty, production share, state equity, and income taxes
3. Common pitfalls and loopholes in fiscal design, which provides a strong basis for anticipating and managing possible revenue shortfalls
4. A stylized financial model, which will enable participants to put the sessions into practice and assess potential returns under a hypothetical fiscal scenario, to enable stronger analysis of fiscal terms
5. Key features related to the monitoring of fiscal obligations

Key Questions:

1. Do fiscal regimes realize the full value of the resource consistent with attracting investment?
2. Does the legal framework of fiscal terms provide sufficient accountability to citizens, stability for investors and flexibility to respond to changing circumstances?
3. Do government authorities collect the full value of taxes and other payments owed to the state?
4. Is the government held to account for setting and collecting taxes and other company payments?

Method:

- Presentation
- Group work
- Discussion

Reference:

- Natural Resource Charter, Precepts 2 and 4, http://www.resourcegovernance.org/publications/natural-resource-charter-second-edition
- NRGI, *Contracts Confidential*, http://www.resourcegovernance.org/sites/default/files/RWI-Contracts-Confidential.pdf
- www.resourcecontracts.org
- *Enforcing the Rules*, http://www.resourcegovernance.org/sites/default/files/RWI_Enforcing_Rules_full.pdf
- World Bank/Open Contracting, *9 Steps for Contract Monitoring: an Interactive Roadmap*, http://www.open-contracting.org/9_steps_for_contract_monitoring_an_interactive_roadmap

Thematic Component 2 – Managing Resource Revenues

The next thematic component of the training deals with revenue management of extractive industries. This thematic component deals with the options and innovations on how to manage revenues from extractive industries in various scenarios. This includes examples and good practices at the national and sub-national level. In principle, this thematic componentis divided into two main sessions: in class session and field trip.

Session 8 – Managing Revenue

Through this session, participants are expected to have a broader understanding on the fiscal policies for resource rich countries. This session will provide an overview on challenges of managing natural resources revenues, including ways to address challenges through the design of fiscal policies and improve the governance of relevant institutions. In this thematic component, participants' analytical skills will be enhanced through assessment of some study cases, practical examples and their challenges, identifying issues, and also group work. There are real life data/country case studies to be used during the session; the organizers will use regional examples such as Indonesia, Timor Leste, Philippines and Malaysia, and also global examples such as Norway, Peru, Ghana and Azerbaijan. Group work will be included in the session.

Objective:

1. To introduce macro-economic framework and policy options in managing revenue from extractive industries
2. To learn about public financial management and budget process, including revenue sharing and sub-national revenue management
3. To understand the role of local government in natural resources management

Topic and sub-topic:

1. The characteristics of revenue from extractive industries and its implication in the macro economic framework
2. Public financial management and budget process
3. Political economy of sustainability
4. Managing revenue volatility from extractive industries

Key Questions:

1. Do spending and borrowing fiscally sustainable given that non-renewable natural resources are finite?
2. Does the government adequately manage the rate of spending in the domestic economy?
3. Is government spending independent of short-term changes in revenues?

Method:

- Presentation
- Group work
- Discussion

Session 9 – Field Trip to Bojonegoro

The activities in the field will be carried out in Bojonegoro, East Java. Throughout various meetings with key stakeholders at the local level(e.g. local government, mining company, local parliament, and community) the participants are encouraged to learn real-life challenges of managing natural resources revenue at the local level. Beyond this, interactions with key local stakeholders are also designed to facilitate sharing of knowledge and experience between participants and decision-makers in Bojonegoro. To understand the local contextual situation, training facilitators will provide an overview on the overall political and local governance setting in Indonesia.

Objective:

1. On the ground exposure on how Bojonegoro district manages its resource wealth and how it is preparing for the future
2. Facilitates comparative exchange on sub national innovations in resource governance

Topic and sub-topic:

1. Indonesian political structure, decentralization and the history of Bojonegoro
2. District government's resource management and development strategy (e.g. Oil Fund, leadership)
3. Perspectives of civil society, community groups and youth on local resource management
4. Political stand/position (support/challenges) from parliament for the local innovations
5. Sub-national innovations in comparative perspective (a panel discussion)

Key questions:

1. How has Bojonegoro seized upon the opportunities and challenges resulting from the political transformation in Indonesia including the decentralization?
2. What are the ongoing innovations?
3. What enabling and constraining factors exist to sustain an accountable management of Bojonegoro's extractive revenues?
    - How important is the role of leadership in pushing and sustaining innovations?
    - What are the concerns and visions of the stakeholders in managing Bojonegoro resources?
    - Where does district parliament stand on resource

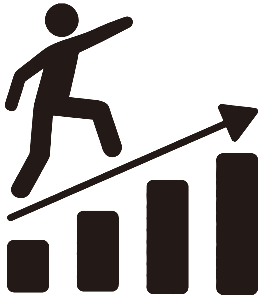
management innovation in Bojonegoro?

4. What are the other countries doing to innovate the management of their resources?
    - What are constrains and hinders their success?
    - Does the Bojonegoro see the similarities in their context?

Method:

- Meetings with local key stakeholders in various setting
- Panel discussion

Thematic Component 3 – Strategies & Practices for Reform



The third thematic component elaborates strategies and practices for reform that is common in extractive industries. The strategies and practices are transparency standard, anti-corruption tools, and high level advocacy and media messaging. On top of these strategies and practices, this thematic component will also discuss examples and good practices on the use of these tools and strategies. This thematic component is divided into three sessions which try to help the participants navigate contexts, drivers and scope of policy change. Additionally, it is expected that through this thematic component, the participants would be able to identify strategic actors, their sphere of influence and domains of policy making. Furthermore, it is important for the participants to get use to communicate a message effectively to the decision makers that strikes a balance between opposition and proposition.

Session 10 – Using Transparency Standard

This session is designed to provide the participants with an overview of the Extractive Industries Transparency Initiative (EITI). This session focuses on EITI's historical background and its procedure in order to understand global political economy contexts that drove the establishment of the EITI, which is regarded as the most viable framework for the governance of natural resource extraction. This session will describe key policy areas in the EITI standard and link up with reform opportunities in the participants countries through group discussions. The session will end with country action plan on EITI implementation in the respective countries

Objective:

1. To discuss EITI's historical background and procedure
2. To discuss EITI's strengths and weaknesses and their implication for policy reform at national level
3. To discuss EITI's role and its relations with other global governance on corporate codes such as the Guidelines for Multinational Enterprises of the OECD and the UN Human Rights Council's Guiding Principles on Business and Human Rights
4. To discuss key policy areas in the EITI standard and their links to specific country policy reforms
5. To discuss policy recommendations on improving EITI beyond transparency initiative for a broader resource governance framework

Topic and sub-topic:

1. Decision chain of natural resources governance
2. EITI principles and the role of EITI in supporting reform
3. 2013 EITI requirements
4. Case study of EITI's impact
5. The potential of the EITI standard

Key Questions:

1. What is EITI?
2. What are the EITI's guiding principles?
3. What are the global political economy contexts that drove the establishment of the EITI?
4. Is focusing on transparency and accountability good for achieving other social objectives including reduced poverty and raised standard of living in resource rich country?
5. What needs to be done in order to overcome the shortcomings of the EITI?
6. What are the key policy areas in the EITI?
7. What EITI could offer to stimulate policy reforms in participant's countries?

- **Method:**
- Presentation
- Group work and discussion

Reference:

- EITI Standard available at https://eiti.org/document/standard
- EITI Fact Sheet available at https://eiti.org/files/document/EITI_Factsheet_EN.pdf
- NRGI EITI Guide available at http://www.resourcegovernance.org/eitiguide/
- Westenberg and Wagner (2015), From Reporting to Reform : Eleven Opportunities for Increasing EITI Impact, EITI Briefing Note, NRGI. Available at http://www.resourcegovernance.org/sites/default/files/nrgi_FromReportingtoReform.pdf
- Westenberg, E et al., (2015), Owning Up : Options for Disclosing the Identities of Beneficial Owners of Extractive Companies, EITI Briefing Note, NRGI. Available at http://www.resourcegovernance.org/sites/default/files/nrgi_Beneficial%20Owners20150820.pdf
- Grieger, G. (2014), 'The Extractive Industries Transparency Initiative: State of Play', Briefing European Parliamentary Research Service. Available at http://www.europarl.europa.eu/RegData/bibliotheque/briefing/2014/140758/LDM_BRI(2014)140758_REV1_EN.pdf
- Lehmann, V. (2015). 'Natural Resources, the Extractive Industries Transparency Initiative, and Global Governance', Background Paper, the Hague Institute for Global Justice. Available at https://eiti.org/files/Commission_BP_Lehmann_0.pdf
- Schmaljohann, Maya (2013). Enhancing Foreign Direct Investment via Transparency? Evaluating the Effects of the EITI on FDI, Working Paper, University of Heidelbe9rg, Department of Economics. Available at http://archiv.ub.uni-heidelberg.de/volltextserver/14368/
- The EITI, NOCs and the sale of the government's oil. EITI International Secretariat. Available at https://eiti.org/document/eiti-brief-nocs-and-sale-government-oil

Session 11 – Anti-Corruption Tools

The Indonesia Anti-Corruption Commission (KPK) is one of the most prominent actors for good governance in Indonesia. When thiscommission started to pay a particular attention to natural resources management, it is useful for practitioners to learn and possibly also collaborate through the use of anti-corruption tools. Although this session will mainly use cases from the Indonesian context, the participants are expected to be able to learn from some anti-corruption tools that are designed for a broader use.

Objective:

1. To understand the role of Anti-Corruption Commission (KPK) in preventing the corruption in natural resources management
2. To learn about the on-going effort of KPK to use anti-corruption tools in natural resources management

Topic and sub-topic:

1. Overview of Anti-CorruptionCommission (KPK) and the background of KPK's involvement in natural resources management
2. The characteristics and the implementation of KPK's monitoring tools
3. Lessons-learned from the implementation and notes for further development

Key Questions:

1. What makes KPK interested to involve in natural resources management?
2. How do anti-corruption tools help to improve the accountability of natural resources governance?
3. What are the challenges and lessons-learned from the implementation of anti-corruption tools?

Method:

- Presentation
- Discussion

Session 12 – High Level Advocacy and Media Messaging

Skills in advocacy and media messaging are crucial to ignite a reform processes. In addition to the content of the messages that have been discussed in previous sessions, a practical know-how of advocacy techniques will help participants to find the most effective ways that will provide fruitful outcomes of the advocacy. Traditional means of advocacy through lobbying and a more recent development of advocacy techniques will be elaborated in this session.

Objective:
1. To equip the training participants with the skills in advocacy and media messaging
2. To practice the skills of advocacy and media messaging

Topic and sub-topic:
1. Strategic actors and domains of policy making
2. Communicating a policy message (direct lobbying, multi-stakeholder meetings, press release, open letter, etc.)

Key Questions:
1. How to find the most suitable target for advocacy among myriad of actors in the political landscape?
2. What are the most appropriate techniques for communicating a policy message?
3. Is there any trade-off between one and another technique on advocacy?

Method:
- Presentation
- Role play

Training Closure –Wrap up & action plan

The final part of the training is designed to review all the training materials and prepare for post training plan. Through the sessions in this closure, it is expected that the training participants can incorporate key insights that they have gained throughout the training in to their daily work. The final part of this training is divided into two sessions.

Session 13 –Training Wrap up

The focus of this session is to consolidate three thematic components that have been discussed. The team of facilitators will help the participants to understand connections between topics of discussion in the context of improving extractive industries governance.

Objective:

1. To review and consolidate the three thematic components
2. To identify relevant topic of discussions for action plan development

Topic and sub-topic:

1. Overview of the thematic components
2. Relevant part of the thematic components for action plan design

Key Questions:

1. How do the thematic components relate and constitute the governance of extractive industries?
2. What aspect(s) that will be used as the basis for action after the training?

Method:
- Presentation
- Discussion

Session 14 –Action Plan Development and Discussion

Building from the previous session, the final session of the training tries to assist the participants in developing action plan and evaluate the training.Additionally, the participants are encouraged to establish a monitoring mechanism for their action plan. The action plan can be develop individually and/or collectively as a group following the action plan activities.

Objective:
1. To ensure that the training participants have a practical action plan for the post training activities
2. To create mechanism whereby participants and the Regina program can monitor the post training activities
3. To provide input and feedbacks to the training process

Topic and sub-topic:
1. Participants' post training action plan
2. Feedback and input for the training process

Key Questions:
1. What are your plan of action after the training?
2. How will you monitor those action plan?
3. How can the organizing committee, resource person, and facilitator improve the training in the future?

Method:
- Presentation
- Group work
- Discussion

Attachment - Notes for Group Works and Others

Session 6 – Social-Environmental Considerations

GROUP EXERCISE

The rural town of San Andres lies on the mountainous area of Central Philippines. Its vegetation cover ranges from native forest to grounds that have been extensively cleared for agriculture encompassing 30 villages and 50,000 people. A 200 km2 of rugged terrain with steep slopes and several mountain peaks and gorges is at the heart of the landscape of San Andres. Three river systems, Tapyas, Tigbak and Malanog, run through San Andres from which 70% of the farmers get their farm irrigation, as well as gather firewood, wild root crops, and other bare necessities. More than 350 species of plants and animals, including the Tamaraw (BubalusMindorenses) an endangered animal, have been noted to be inhabiting the mountains San Andres.

Six months ago, a consortium of foreign businesses from Japan and China announced they'd build "Asia's largest nickel mine" on the mountainous terrain of San Andres. While some of the residents welcomed the prospect of more jobs and modern development, others are more concerned about how such mine would affect their lives and ecosystems. The concerned citizens of San Andres have joined with researchers from the University of the Loyola and actively *oppose the plan through community education and activism. Environmental activists from Manila have also joined the controversy supporting the opposition to the project. Among others, they argue that the better location of the mine would be the adjoining town of San Roque which has lesser biodiversity. The proponents of the plant are refusing to relocate because it would cost an additional 25 million dollars to them. The proposal of a nickel mine is not the only issue facingSan Andres. Many of the town's subsistence farmers do swidden farming and continue to do soin converting more forest areas into arable land. For example, a recent study by researchers at the University documented that in the last 10 years alone 50% of the town's forest cover have been lost due to land conversion. In addition, illegal trade of wildlife animals and plants alsopersist in San Andres. In 2001, San Andres' once-booming mountain trekking and Tamaraw-sighting was shut down and the mountains had to be close to the public for a period of 10 years, due to near extinction of some flora and fauna. For this reason, local NGOs and community activists, with the help of international organizations, are working toward developing a mountain resource management plan that empowers farmers and other community members. The plan was drafted by representatives of the municipal government, the religious sector,members of San Andres' farming industry and other stakeholders and draws on research byforesters and geologists from academe and the international community. The plan emphasizes farming and ecotourism as the primary economic activities for the area. There is already an agreement on the plan; the only remaining challenge is to raise the 100 million pesos for it implementation.*

The Minister of Environment has called a meeting to determine whether it is possible to obtain consensus on the nickel mine. If there is no consensus, he/she will make a unilateral decision to approve or disapprove the ECC. The following people are attending the meeting:

- *The Environment Minister who will chair the meeting (assisted by the Director of the Mines and Geosciences Bureau)*
- *The Mayor who needs to determine whether the project should*

be given LGUendorsement

- *The Village Chieftain who represents the community that will be directly affected by the plant*
- *The Company Representative proposing the project*
- *The Environment NGO Representative who opposes the project*
- *The Aide to the Congressman who supports the project*
- *The Scientist from the university who opposes the project*
- *A Development Specialist from an international organization, ready to provide assistance to mitigate impacts of project or to support alternative programs*
- *All these individuals have publicly stated positions on the controversy. However, their positions are actually much nuanced when asked more privately.*

Instructions

1. *Each participant will have 30 minutes to prepare for the meeting with the DENR Secretary. During that time, he/she will receive specific instructions on her positions and interests. She is also encouraged to consult and talk to other stakeholders during this time to assess positions, build coalitions, etc.*
2. *The Environment Minister shall develop a strategy on how to run the meeting and build consensus. The meeting will run for one hour. During the meeting, a participant could get new instructions that could change her positions in the negotiations.*
3. *The meeting shall end with the Environment Minister summarizing the results identifyingthe consensus that was agreed and the remaining contentious points. Or if there is no agreement, he/she will announce her decision to approve or disapprove the ECC.*