



**Asia-Pacific  
Economic Cooperation**

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Agenda Item: 3

## **Eligibility Criteria and Guidelines for Accessing the Mining Sub-Fund**

Purpose: Information  
Submitted by: APEC Secretariat



**10<sup>th</sup> Mining Task Force Meeting  
Arequipa, Peru  
9-10 May 2016**

## **Eligibility Criteria and Guidelines for Accessing the Mining Sub-Fund**

This paper sets out the overall governance arrangements for the Mining Sub-Fund including the eligibility criteria.

### **Background**

In November 2014, APEC Senior Officials at its Concluding Meeting endorsed the establishment of a mining sub-fund under the APEC Support Fund (ASF) with Australia making an initial contribution of AUD\$1.2 million. The initiative was also noted by the APEC Leaders in Beijing<sup>1</sup>. A non-paper proposing the establishment of a mining sub-fund was endorsed at the Concluding Senior Official Meeting (2014/CSOM/039).

The Budget Management Committee (BMC) also noted the establishment of the Mining Sub-Fund at its meeting on 3 February 2015 where Australia, as the initial donor, presented an information paper ([2015/BMC/011](#)) outlining the overall governance arrangements of this Sub-Fund.

### **Administration of the Mining Sub-Fund**

The APEC Secretariat will be responsible for the administration of the Mining Sub-Fund. Projects that have been assessed and endorsed by the MTF, according to the MTF agreed eligibility criteria, will be allocated to the list of applications for the Mining Sub-Fund. Following prioritization at the Committee level, the Secretariat will calculate how many of the projects can be funded from the available Sub-Fund balance. It will then make recommendations to the Budget Management Committee (BMC) for approval as per the usual APEC project approvals. A flow chart on submission and approval processes is in the *Guidebook on APEC Projects* page 12. Refer to <http://www.apec.org/Projects/Forms-and-Resources.aspx>

The full operation of the Mining Sub-Fund is expected to take place from the second half of 2015 after the draft guidelines and eligibility criteria have been endorsed by the MTF. Submission of concept notes and full proposals are expected to follow the timelines of the APEC funding sessions. Refer to <http://www.apec.org/Projects/Applying-for-Funds.aspx>

### **Guidelines for Accessing the Mining Sub-Fund**

Any interested economy, within any APEC fora, may submit Project Concept Notes which fall within the scope of the sub-fund and the ambit of APEC funding criteria. These will need to be endorsed (or co-endorsed in the case of non-MTF generated Project Concept Notes) by the MTF as part of the normal APEC project session processes (please refer to the *Guidebook on APEC Projects*).

Endorsement of any Concept Notes by the MTF is expected to occur intersessionally, coordinated through the MTF Program Director. MTF endorsement will be the determining factor as to whether a project is eligible to access the Mining Sub-Fund.

Non-MTF groups will first seek endorsement and two or more co-sponsors of their Project Concept Note from their own forum. Once the originating forum's endorsement and co-sponsorship has been secured, the Project Overseer, through the APEC Secretariat Program Director for the originating forum, will submit the Project Concept Note by the MTF Endorsement Deadline. Project Concept Notes generated within MTF will also need to be submitted by the MTF Endorsement Deadline.

The MTF Program Director will then circulate the Concept Notes for MTF's endorsement. Any externally-generated Project Concept Notes submitted to MTF without the endorsement of the originating forum and required co-sponsorship will not be considered.

The MTF members (or an agreed sub-group) will assess Concept Notes generated from within and outside of the MTF to ensure that the agreed eligibility criteria are met. If a Concept Note is not endorsed, an explanation will be provided to the proponent as to how the criteria have not been met, and whether revision is recommended.

The MTF endorsement process will be completed within a timeframe to allow compliance with Concept Note submission deadlines of the APEC Secretariat. After obtaining endorsement from the

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<sup>1</sup> The relevant part (item 12) of the *APEC Accord on Innovative Development, Economic Reform and Growth*, Annex C to the 2014 Leaders' Statement is at [http://www.apec.org/Meeting-Papers/Leaders-Declarations/2014/2014\\_aelm/2014\\_aelm\\_annexc.aspx](http://www.apec.org/Meeting-Papers/Leaders-Declarations/2014/2014_aelm/2014_aelm_annexc.aspx)

MTF, interested economies will then submit their Project Concept Notes (with two or more co-sponsors) to their Program Director for consideration as per the normal APEC project session processes.

If Project Concept Notes are not endorsed by the MTF, but are endorsed by a non-MTF forum, then the projects will be submitted through their Program Director (as above) but they will not be eligible to apply to the Mining Sub-Fund. They would then be allocated to a different sub-fund or the APEC Support Fund General Fund by the Secretariat, as appropriate.

If Project Concept Notes generated within the MTF are not endorsed by the MTF (whether because they are not in line with the Sub-Fund eligibility criteria or for another reason) then they cannot be submitted to the Secretariat for APEC funding.

MTF will be given the opportunity to input to Project Proposals for projects funded under the Mining Sub-Fund which originate in other APEC fora. The draft Project Proposal will be submitted to MTF through the MTF Program Director and comments sought prior to its submission to the APEC Secretariat. The Project Proposal should incorporate collaboration with MTF during project implementation and sharing of project outcomes, as appropriate.

### **Mining Sub-Fund Eligibility Criteria**

Drawing on the direction set in the non-paper endorsed at the CSOM (2014/CSOM/039), the proposed guidelines/criteria are intended to involve private sector organisations; integrate the 10 APEC Mining Principles and APEC gender objectives; and promote corporate social responsibility in the development of projects and activities.

Therefore, to be considered for the Mining Sub-Fund, proposals must:

- 1) Involve the private sector, either through partnership and/or participation, by providing clear evidence that relevant private stakeholders are included in the project planning and implementation, such as through funding and/or in-kind contributions and expertise.
- 2) Deliver capacity building activities in APEC developing economies<sup>2</sup> that improve the enabling environment for trade and investment in mining and the capacity of local businesses, its mining industry and/or regulators in one or more of the following areas:
  - a) Sustainability aimed to promote economic and social development and inclusion, such as education, workforce training, and innovation and technology cooperation.
  - b) Corporate social responsibility, including promoting the social license to operate and leading practice in mining and life cycle management such as rehabilitation and post mine closure.
  - c) Transparent and efficient regulation and governance to facilitate trade and investment in mining.

While proposals are not expected to address all of these above areas, they must however be consistent with all of them and the overall intention of the sub fund.

- 3) Progress APEC's gender objectives, demonstrating how they will benefit women, and in particular will not disadvantage women. Proposals must include women and women's perspectives in their design, implementation and evaluation.<sup>3</sup>

Proposals generated within the MTF will be prioritised by the MTF in accordance to their relevance to the above criteria. Proposals generated by other APEC fora will be prioritised within those fora.

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<sup>2</sup> Projects for funding under the ASF (including its sub-funds and in this case the Mining Sub Fund) will, in principle, be open for participation by all APEC members, but funding will be available only for capacity building projects that primarily benefit developing economy members. If it furthers the interests of APEC, one or more non-APEC developing economies may be additional beneficiaries of an ASF proposal. This will be determined on a case-by-case basis in accordance with normal procedures on non-member participation in APEC activities.

<sup>3</sup> Please refer to Appendix I of the *Guidebook on APEC Projects* for more information.