

Africa Mining Vision and Country Mining Visions

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Objectives

- **Raise awareness about the African Mining Vision**
- **Present role and mandate of the African Minerals Development Centre (AMDC) in promoting developmental mining in Africa;**
- **Present current work of AMDC in supporting the domestication of AMV through the design of Country Mining Visions;**
- **Focus on CMV guidebook: relevance for Ethiopia**
- **Challenges in translating AMV in effective Country Mining Visions or AMV-compliant mineral policies.**

Africa Mining Vision

- Adopted by the AU Heads of State and Government in February 2009 as the key continental framework to promote mineral resource- based development and structural transformation on the continent;
- Its main goal is to create a **“Transparent, equitable and optimal exploitation of mineral resources to underpin broad-based sustainable growth and socio-economic development”**
- AMV as strategy for integrating mining sector into broader social and economic development processes: **African conceived, owned, and operationalized.**



African Mining Vision – goals and pillars

Creating a mining sector that:

- i) is knowledge driven and conceived as a key component of a diversified, vibrant and globally competitive industrializing African economy.
- ii) effectively garners and deploys resource rents and (that) is healthy, inclusive, environmentally friendly, socially responsible and appreciated by all stakeholders and surrounding communities.
- iii) catalyses and contributes to broad-based growth and development through upstream, downstream, side-stream and infrastructure linkages.



African Mining Vision – goals and pillars

- iv) increases the level of investment flows into mining and infrastructure projects to support broad socio-economic development.
- v) Harnesses the potential of artisanal and small scale mining to stimulate local national entrepreneurship and advance rural socio-economic development;
- vi) Capitalizes on the mutually beneficial partnership between State/private sector/ CSOs and other stakeholders.



AMV- Action Plan

The Action Plan was also approved by AU policy organs in 2011. It includes the following clusters:

- i) mineral rents and management;
- ii) geological and mining formation systems;
- iii) human and institutional capacities;
- iv) artisan and small scale mining;
- v) mineral sector governance;
- vi) research and development,
- vii) environmental and social issue;
- viii) linkages and diversification; and
- ix) mobilizing mining and infrastructure investment



AMDC, mission and activities

- Formally launched in December 2013; UNECA-AUC-AfDB-UNDP as implementing partners.
- Its **mission**: working with member States and their national and regional organizations to enable mineral resources play a greater transformative role in the development of the continent through increased economic and social linkages.
- **Facilitator of choice** to support AU member States in implementing the African Mining Vision.



AMDC focus

- Tracking and coordinating implementation of AMV;
- Identifying gaps and areas of need in MS and providing expertise to address such needs;
- Undertaking policy research to develop policy strategies and options for realizing AMV;
- Providing think-tank capacity for embedding the AMV into Africa's long term development;
- Implementing continuous advocacy and information campaign in order to engage stakeholders on AMV implementation and Country Mining Vision processes



AMDC results area

1. Policy and Licensing;
2. Geological and Information System;
3. Governance and participation;
4. Artisanal and small-scale mining;
5. Linkages and diversification;
6. Human capacity and institutional capacities;
7. Communication and Advocacy

In each of those areas, AMDC carries out specific activities



4. In focus: AMDC current work

- I) Support to Country Mining Vision (CMV) Processes in Mozambique, Lesotho, Tanzania and Ghana

- II) Formulation of a guidebook for the domestication of AMV through Country Mining Visions



I) Country Mining Visions learning by doing-Mozambique:

- Between 2007-2012 several instruments : CSR Policy, Training and Capacity Building Policy for Extractive, Strategy for concession areas for petroleum operations; adherence to EITI, revision of 2002 Mining Law and 2001 Petroleum Law;
- At sub-regional and regional level Mozambique adopted SADC Protocol on Mining (2000) and adopted the African Mining Vision;



1) Mozambique (continued)

- **Administration of the WEF-MVM tool : questionnaire** investigating drivers of value in the extractives sector for different stakeholders; it gathered stakeholders' views on current value and areas of opportunity to increase value.
- **Multi-stakeholders dialogue** among government, private sector, and CSO representatives took place in November 2013: key challenges, opportunities and actions for responsible developmental mining in the country were identified.
- **Mineral Resources Strategy/Four priority areas** were agreed:
 - i) increased skilled manpower through training programs;
 - ii) EITI multi-stakeholder platform to be transformed in permanent forum;
 - iii) local content;
 - iv) communication strategy; and
 - v) better integrated land-use and infrastructure planning.

I) Mozambique (continued)

- Upon government request, AMDC supported the design of an Implementation Plan through the recruitment of a **Senior Technical Advisor** in cooperation with UNDP and the Ministry of Mineral Resources.
- **Implementation plan:** conceived as an operation tool to concretely implement the policy by prioritizing, and sequencing specific actions to be undertaken to effectively transform the vision into the expected results;
- **IP as Basis to coordinate contribution of development partners** and other stakeholders to the national mining sector (private sector, local communities, NGOs and CSOs, small scale miners): **to be validated.**

1) CMV learning by doing- Lesotho

- Government review of 1962 Mining and Mineral Policy with AMDC-UNDP support: improve mineral resource management, maximize revenue collection and utilization and increase impact of mineral extraction both at national and local level
- Two study reports:
 - Local scan (GoL)**: detailed analysis of national economic and social landscape; mapping geological potential review of mining policies;
 - regional and international report (UNDP-AMDC)**: review regional and global mineral development trends; identification of key external drivers to the sector and their impact on Lesotho's mineral sector.



1) CMV learning by doing- Lesotho

- Establishment of a **Multi-stakeholder working group comprising 40 people** from several Ministries (Mine, Economic Development, Finance), NGO-CSOs, local communities, Private sector, small scale miners
- **Maseru stakeholders workshop November 2013**: reviewed the studies and identified problems and proposed themes that guided the preparation by the GoL of a draft I – AMV compliant Mining and Mineral Policy (MMP).

1) CMV learning by doing- Lesotho

- **Extensive consultations at community and district level** took place between 11 June-4 July 2014 by using draft I MMP as basic document : inputs, comments, recommendations to be incorporated in a second draft MMP.
- **Consultations, supported by SARW** and aimed at:
 - i) Soliciting maximum input and feedback from communities, especially those living in mining areas;
 - ii) providing space for dialogue and improvement of content & substance of MMP;
 - iii) mobilizing and sensitizing communities on their role in the design and implementation of MMP/CMV.



1) CMV learning by doing- Lesotho

- **Participants include:** youth & women's groups, faith based groups, cultural based groups, local community and voluntary groups, traditional leaders, political parties' members, mine workers, teachers, local business people and local NGOs, farmers, people with disability, student leaders, etc.
- **615 people consulted overall in 10 districts:** target number of 40-50 people per consultation



1) CMV learning by doing- Lesotho

- Consultations focused on main themes of the draft MMP, namely:
 - i) Mining and mineral sector fiscal and taxation regime; ii) legal and regulatory framework; iii) value-addition and infrastructure development; iv) domestic empowerment; v) ASM sub-sector; vi) transparent and accountable mineral sector governance; vi) environmental and socio-economic sustainability vii) role definition for key players;
- Report on consultations prepared by SARW-CCJP
- Final validation workshop with all stakeholders on draft II MMP.



Upcoming CMV processes

➤ Guinea Conakry:

ES ECA mission to Conakry in July 2014; AMDC will support reform of the mineral sector and will focus its assistance on:

- a) capacity building initiatives for contract negotiations;
- b) establishment of policy and legal frameworks for the improved management of oil and mineral resources;
- c) human and institutional capacity development;
- d) construction of a laboratory/center of excellence in PPP

➤ Ghana: formal request to AMDC/ECA to assist in the formulation of CMV;

➤ Tanzania: administration of WEF tool and support to Multi-stakeholder High Level Round Table for the launching of a multi- stakeholder process

II) Country Mining Vision, features

- **Multi-stakeholder approach:** perspectives and views from government, civil society and community-based organizations, local administrations, private sector should be heard in order to promote a critical review of different perception about what constitutes mineral benefits.
- CMV as result of an **integrative thinking** of the different sectors of government, the private sector and society is expected to offer a common vision on mining and development – including what can be exploited, what shared opportunities exist, what the challenges are, what works and what does not work
- **National ownership:** government-led inclusive consultations to promote wide consensus on how to **ensure continuity of mineral policies beyond electoral cycles and facilitate the integration of the country's mining vision into a framework that outlasts political cycles.**

Country Mining Vision, features

- **CMV as embodiment of national aspirations on the developmental role of the minerals sector:** its alignment to a country's overall development vision should ensure that mining serves medium and long-term objectives for **structural economic transformation, inclusive growth, and poverty reduction.**
- **Key actor of CMV:** Ministries responsible for mineral development or national authorities responsible for the management of mineral resources as “owners” and “implementing agents” of the CMV.
- **CMV as an Incentive for enhanced coordination in the executive branch, and** instrument for improving coordination across government agencies over a longer time horizon than the fiscal year.



II) Guidebook for the domestication of AMV through Country Mining Vision (being published)

- **Guide for the domestication of AMV** at national level through multi-stakeholders consultative process with a view to formulating a shared vision on how mineral resources exploitation can promote broad-based development and structural transformation;
- **Step-by-step guide** for strategic assessment, identification of instruments for policy dialogue and sector analysis and mechanisms for conducting stakeholders consultations, along with steps for policy design and for the formulation of a CMV implementation, monitoring and evaluation tool
- **Living document**, covering focus areas of AMV action plan (fiscal regime-revenue management; geological and mineral information systems; human and institutional capacity; ASM; mineral sector governance. Linkages; environment and social issues).

Country Mining Vision guidebook and relevance for Ethiopia: sample questions

A) Sample questions for design of effective fiscal regime and revenue capture:

- i) Does the fiscal regime deliver value for the country over the long term and encourage mineral economic linkages?
- ii) does it ensure that governments receive a rising share of the revenues with rising profitability of mining activity?;
- iii) does it guarantee an appropriate minimum government revenue in all production periods and cycles?
- iv) does it ensure robustness to changing circumstances?
- v) does it limit opportunity for tax avoidance or evasion?
- vi) does the country have adequate admin capacity and institutions to collect all revenues?,

Country Mining Vision guidebook and relevance for Ethiopia: questions/issues

B. Sample questions for issues related to revenue use and management:

- I. Is the country's budget system aligned to national development plans?
- II. are there clear legal rules on spending and savings mineral revenue?
- III. Is a reasonable proportion of resource revenue in assets invested to support sustainable development, such as physical infrastructure and education?;
- IV. are there reporting requirements and guidelines on how resources are managed?;
- V. are there opportunity for public oversight?; are there provisions of public accountability and transparency?

Country Mining Vision guidebook and relevance for Ethiopia: sample questions

C. Sample questions on linkages and diversification:

- I. What are the national policies and strategies for industrialization, beneficiation and value addition?;
- II. what is the current state of physical infrastructure?;
- III. what is the current estimate of the local value added in the purchase of good and services by the mining industry?
- IV. Is a local content policy in place?
- V. To what extent procurement policies of mining companies constrain backward linkages?
- VI. Are effective strategies in place in order to promote technology development, and RDI

Country Mining Vision guidebook and relevance for Ethiopia: questions/issues

D. Sample questions for ASM in Ethiopia:

- I. Is there an adequate policy framework for ASM?
- II. which factors promote widespread existence of illegal and unregulated mining and how can they be addressed?
- III. what policies can best encourage and promote regulations of ASM?
- IV. are there adequate training, mentoring initiatives for building ASM capacity?;
- V. is the environment for ASM conducive for finance and marketing opportunities?;
- VI. does the ASM framework provide for access to requisite geo-scientific information?

Challenges for AMV domestication and CMV

- **Limited knowledge of and familiarity with AMV among African governments and citizens:** need to promote further peer learning, and experience sharing.
- **Strong political will and commitment:** capable and visionary national leadership keen to promote a new integrated development approach to mineral resources exploitation;
- **Ensuring effective involvement of broad range of stakeholders** from society, business and government, parliamentarians, CSOs and journalist in developing CMV or AMV compliant national mineral policy that is rooted in collective and inclusive national ownership;
- **Adequate institutional and human capacity for designing and implementing AMV-compliant mineral policies.**
- **Strong and efficient administration & sound national governance framework and practices.**

Thank you!

<http://www.africaminingvision.org>

<http://www.uneca.org/amdc>

