



ORCADE

Organisation pour le
Renforcement des
Capacités de
Développement
Tel: 25 36 20 89
09 BP 675 Ouagadougou 09
Burkina Faso



SEMINAR FOR INFORMATION AND KNOWLEDGE SHARING AMONG STAKEHOLDERS IN THE MINING SECTOR ON THE AFRICAN MINING VISION

REPORT

Ouagadougou, 3rd October, 2017

1. Brief reminder on the context of the seminar

The Heads of State and Government of the African Union adopted in February 2009 a vision/strategic document on the mining sector known as the '**African Mining Vision**'(AMV), **“with the aim of establishing a transparent, equitable and optimal exploitation of mineral resources to support sustainable growth and socio-economic development”**. This vision/document also seeks to integrate the African mining sector into the social and economic development process of the continent.

The adoption of (such a vision), the AMV, is necessary as the African continent is endowed with abundant natural resources (oil, gold, diamond, gas, etc.) but is ironically plagued with many difficulties that impede sustainable development (poverty, impoverishment, corruption, disease, etc.). In addition, the bulk of the mineral resources are exported in the form of ore or metal concentrates without any real value added and by foreign companies. Minerals are thus exported without processing. The benefits and revenues do not remain in the national economies. The important positions in these foreign companies are held by expatriate workers and Africans are left with less technical jobs. Thus, the mining industry in Africa is an enclave and therefore has very weak or no links with other sectors of the economy.

Since the adoption of the AMV in 2009, its implementation has remained slow at the country level. Moreover, it is not well known among stakeholders in the mining sector, by governments, the private sector, mining companies and civil society organizations.

The dissemination of the AMV, is therefore necessary in Burkina Faso to enable all stakeholders to have a common understanding of it and to adopt the same work approach to derive maximum benefit from the mining sector.

It is against this backdrop that ORCADE organized, in partnership with TWN-Africa, an information and knowledge sharing seminar on the African Mining Vision.

This report provides a summary of proceedings at the seminar.

2. Reminder on the objectives of the seminar

The overall objective of the seminar is to ensure a common level of understanding of the African Mining Vision and the implementation approach among stakeholders, especially ***through the Country Vision Mining Guide***.

The specific objectives were to:

- ❖ Share information and knowledge on the African Mining Vision.
- ❖ Raise stakeholders' awareness on the benefits of the African Mining Vision
- ❖ Equip stakeholders to work together towards the inclusion of the AMV in laws, policies and practices at the national level.

3. Reminder on results expected form the seminar:

At the end of the seminar, participants are expected to have a common understanding of the African Mining Vision and be aware of its benefits. Stakeholders should be in favor of including the AMV principles in the laws, policies and practices at the national level.

I. PROCEEDINGS

Proceedings were held in four stages

1. Opening session
2. Presentations
3. Debate on presentations
4. Closing sessions

1.1. Opening session

The opening session was marked by two remarks.

The first was made by Mr. Jonas Hien, the representative of ORCADE who extended a warm welcome to participants. He also recalled the context and objectives of the seminar which included the lack of control over natural resources in Africa and the need to disseminate and implement the African Mining Vision in order to deal with poverty reduction challenges in our countries.

To conclude, he expressed, on behalf ORCADE, his deep appreciation to Third World Network- Africa for the financial support provided for the organization of the seminar.

The second intervention was made by Madam Pauline Vande Pallen, the representative of Third World Network- Africa. She made a brief presentation on the African Mining Vision and its importance for the development of mineral resources in Africa.

1.2. Presentations

Three presentations were delivered.

Presentation No. 1

The first one which was the key presentation focused on **the African Mining Vision and its links with the African economy**. It was delivered by the Executive Director of ORCADE, Moses Kambou. He touched on, among others, the objectives of the AMV, factors that led to its adoption, as well as its components and prospects.

Concerning the objective of the AMV, he recalled that the AMV seeks to ensure “an equitable and optimum exploitation of mineral resources to achieve a broad based sustainable economic development”. He added that it also aims at developing a knowledge-driven African mining sector that catalyzes and contributes to the broad-based growth & development of Africa and also ensures that the mining sector is fully integrated into a single African market with linkages; a mining sector that is an integral part of an African economy, a sector which contributes to infrastructure development, contains enormous finite mineral resource and is a key stakeholder in competitive and dynamic markets.

He mentioned the seven (7) pillars of the AMV.

1. Tax regime and revenue management
2. Geological and mineral information system
3. Human and institutional capacity building
4. Artisanal and semi-mechanized mining
5. Mining sector governance
6. Linkages, investments and diversification

7. Environmental and social issues.

From the historical perspective, he provided an overview of the situation which led to the adoption of the African Mining Vision:

- Africa does not have a geological map that could unearth greater mineral resource potentials;
- Lack of a development strategy based on natural resources;
- The need to encourage and support SMEs and integrate them into the production chain;
- The need to facilitate R&D in collaboration with knowledge networks: universities, industries, governments, and other stakeholders.

According to the speaker, there were reasons that compelled African countries to adopt the African Mining Vision, namely:

- The collapse of prices and inappropriate policies;
- Key opportunities such as:
 - Resource rent
 - Physical infrastructure
 - Downstream value addition
 - Upstream value addition
 - Development of technologies and products.

Concerning major constraints and success factors for the AMV, the speaker mentioned the following points:

- Level and quality of data;
- Capacity to negotiate contracts
- Development of African resources and management capacity
- Improving the capacity to manage mineral resources
- Urgency of solving infrastructure problems in Africa

In terms of prospects, the speaker called for the adoption of regulations (policies laws, rules) to ensure the equitable participation of economic operators and local communities, transparency and effectiveness in revenue management and institutional capacity building.

Presentation No. 2

The second presentation was delivered by Mr. Alin-Noumonsan KAMBOU, the Coordinator for the Alliance of Burkinabe Suppliers of Mining Goods and Services. The theme of the presentation was, “Domesticate the African Mining Vision for greater returns on the exploitation of mineral resources for the benefit of the population/people (?)”

He first defined some concepts, including local content, local supply and the notion of “local”.

He defined local content and local supply as all activities geared towards developing local capacity, the use of local human and material resources, technology transfer, the use of local industrial companies and services as well as value addition.

Regarding the notion of “local”, he indicated that it can refer to the impact area of a mine, including villages, districts, provinces or regions hosting a mining project.

The speaker added that to ensure that communities derive greater benefits from mineral resources, there was the need to harmonize regulations at the supra national level, especially at the ECOWAS and UEMOA levels.

In his view, such a harmonization will help:

- Avoid divergences in the processes of formulating community mining codes.
- Share experiences and assist new mining countries in their learning process
- Establish an enabling environment for mining investors while reducing competition between and among countries
- Promote the development of specialized economies based on comparative advantages of each country.

To achieved these, the speaker identified some entry points that will help:

- ❖ Increase downstream support sectors (suppliers, input industries);
- ❖ Strengthen upstream companies;
- ❖ Facilitate lateral migration of mining technologies to other industries;

- ❖ Increase human capital as well as social and institutional knowledge (that can be used in other sectors);
- ❖ Promote improved living conditions in mining communities
- ❖ Establish small and medium enterprises as well as a balanced and diversified economy with multiplier effects and greater potentials to create jobs.

In this regard, he referred to some provisions of the UEMOA mining code, the 2003 mining code and the 26 June 2015 mining code meant to promote local supply in Burkina Faso.

Consequently, he called on stakeholders in the mining sector to:

- Prepare and adopt implementing regulations of the new code on local supply
- Conduct additional research on the potentials of the local economy
- Set up a tripartite framework for the promotion of local supply.

Presentation No. 3

Mr. Ousmane BARBARI, an economist at the National Anti-Fraud Brigade on gold within the Ministry of Mines and Quarries of Burkina Faso, delivered the third presentation on the theme “*the Burkinabe Government’s vision for mining and prospects of linkages with other sectors of the economy*”

After recalling trends in the mining sector in Burkina Faso as well as governance policies in the sector, he indicated that the aim is to maximize the benefits of mining for the State and communities by optimizing the contribution of the mining sector to economic growth and sustainable development. He also gave the example of the National Plan for Social and Economic Development which, under its intervention axis 3, seeks *to increase the impact of the mining sector on the rest of the economy.*

The speaker also mentioned intervention axes proposed for the mining sectors. These include:

- Development of geological and mining information systems;
- Establishment and utilization of national expertise;
- Promotion of small-scale mining;
- Expansion of local supply of goods and services;
- Improvement of the impact of mines on local development;
- Development of related activities.

He also indicated that measures are underway to establish linkages between mining and other sectors of the economy. These are:

- **Mining growth poles** to develop the potentials of mining regions and build a structured and viable economic fabric. This involves clustering around the mining sector other industries to generate new investments and create local jobs and ensure the remuneration of factors of production;

- **Public – private partnership** in the energy sector based on a power purchase agreement by the National Electricity Company of Burkina Faso (SONABEL) to provide electricity for 18,000 people in ten (10) villages as well as about thirty (30) health centers and schools.

- **A policy to promote local supply in accordance** with article 100 of Act 036-2015/CNT dated 26 June 2015 on the mining code which provides that mining title holders as well as their subcontractors give preference to Burkinabe companies. There are plans to adopt a policy to be backed by a strategy to develop and promote local supply.

Added to these is the strategy to promote local employment, create a fund to finance mining and geological research and support training in earth science as well as a local mining development fund provided for in the new mining code. The speaker stressed that the government was committed to promote small-scale mining.

To conclude, he indicated that developing a sector of activity is a process that adds and subtracts resources and opportunities of different kinds for various types of stakeholders and each group of stakeholders and individuals must learn to seize these opportunities.

DEBATES ON THE PRESENTATIONS

After the presentations, participants made contributions, comments and asked questions to which speakers provided answers.

Some of the contributions and questions are as follows:

*Is there a body responsible for monitoring the implementation of the African Mining Vision?

* What progress has been made so far in the implementation of the AMV in Burkina Faso?

* There is an urgent need to train nationals in the mining sector to enable them develop mines.

*How are mining archives managed?

* What are the concrete actions implemented since the adoption of the AMV in 2009?

* What is the implementation status of the mining vision in Ghana?

* How are artisanal gold miners' rights managed in Ghana?

* Are there countries that have made progress in the implementation of the AMV?

CLOSING SESSION

The closing session was marked by an intervention by Mr. Jonas Hien, a Program Officer at ORCADE on behalf of his organization. He reiterated his sincere thanks to participants and Third World Network Africa (TWN-Africa). He called on stakeholders in the mining sector in Burkina Faso, including state institutions, the national private sector and civil society organizations to show greater commitment to derive maximum benefits from mining in Burkina Faso.



Dr Moses Kambou, Executive Director of ORCADE

