



Participants at Africa Forum on Mining

The African Mining Vision @ 10: familiar tale of grand visions and implementation shortfalls

The adoption of the Africa Mining Vision (AMV) signaled an African consensus against the mineral governance model imposed by the World Bank as part of its Structural Adjustment Programme policies. 10 years on the implementation record across Africa is disappointing, writes ***Cornelius Adedze**.

Since its adoption in 2009 by the African Union, there have been a flurry of activities aimed at supporting and ensuring that the AMV's rallying call for a "transparent, equitable and optimal exploitation of (Africa's) mineral resources to underpin broad based sustainable growth and socio-economic development" was achieved.

Economic and social indicators in African countries, according to the AMV, had not improved much relative

to the mineral endowments of most of the countries which have been exploited over the years since before independence. It was therefore time, "to shift mineral policy beyond the focus on regimes devoted to the extraction of minerals and sharing of revenue" and put in place a mineral governance that takes a much broader account of minerals and their critical role in poverty eradication, sustainable growth and development.

Over the past ten years, the African

Union has elaborated the agenda of the AMV in a number of key documents, notably the AMV Action Plan, the Country Mining Vision Guidebook, and the Africa Mineral Governance Framework. The Africa Minerals Development Centre (AMDC) was established as a continental coordinating centre to oversee the implementation process. 10 years into the journey, some argue, not much has changed for the African mineral sector.



Digging for minerals

In November, the African Union Commission convened an Africa Forum on Mining in Accra, Ghana to review ten years of the AMV. The event brought together some 200 delegates – from governments, the private sector, CSOs and intergovernmental agencies like the UNDP, UNECA, African Development Bank.

‘Untold misery is still the lot of Africa in the presence of mineral wealth which has not translated into betterment of the lives of the people. The AMV is supposed to be the catalyst, the turnaround of the situation but not much has been done 10 years since its adoption by African countries.’ Paul Msoma of the AMDC noted in his opening remarks. He wondered whether the mineral wealth of Africa just like Mansa Musa’s fabled riches would remain a myth to the present generation of Africans instead of benefitting them.

The key note speaker at the event, Antonio Pedro, director of the Economic Commission for Africa, Central Africa region, who presented an overview of the AMV implementation experience lauded the AMV as an important and still relevant intervention in Africa’s min-

eral sector but emphasized that it needs “accelerated implementation” if much better progress is to be made in ensuring Africa derives maximum benefit from the exploitation of its minerals. He situated his assertions about the enduring importance of the AMV agenda in his perceptions of future trends in the use of minerals in economies and societies. National and regional legislation, compliant policies, strengthening of institutions like the AMDC, he noted, must be tackled with all seriousness by African countries rather than the lukewarm attitude towards the AMV now.

The AMV Action Plan adopted in 2011 summarised the AMV agenda into 9 critical issues. These include Linkages and Diversification, Research and development, Mobilization of mining and infrastructure investment, mineral sector governance, and Environmental and social issues. Others are, Geological and Mining Information Systems, Mining Revenues and Mineral Rents Management, Artisanal and Small-Scale Mining as well as Building Human and Institutional frameworks that ensure the success of the AMV.

Many countries in Sub-Saharan

Africa carried out legal reforms in the mining sector over the ten year period of the AMV, unfortunately, most have fallen short at the implementation hurdle. From Angola to Zimbabwe, the AMV, at the least, has awakened African governments to the reality that they could earn much more than they do currently from their mineral resources hence the attempts by many to rewrite their mining sector laws and renegotiate mining agreements. Indeed, countries like Tanzania, Zambia and DRC, have their running battles with such mining companies like Acacia and Glencore among others in pursuit of maximizing benefits from their mineral endowments. Efforts have also been made by countries in East Africa and the SADC regions to put together regional mining frameworks.

These efforts, notwithstanding, there have been some setbacks. A concession made to Gold Fields Ghana (a major multinational gold mining company) by the government of Ghana in 2016 is a typical example. On 29th March 2016 Gold Fields announced in Johannesburg that it had concluded “development agreements” with the Government of Ghana, reducing corporate tax in respect



Panelists at Africa Forum on Mining

of its Tarkwa and Damang mines from a rate of 35.0% to 32.5%, and royalty from a flat rate of 5% to a sliding scale starting from 3%. The company estimated that this would save it \$26m in tax and royalty payments a year. For Ghana this represents an annual loss of \$26m in tax and royalty income from the Tarkwa and Damang mines of Gold Fields. This was a smack in the face of the AMV 7 years into its implementation.

The structural transformation of Africa's mineral economies from a dependence on the export of raw mineral commodities to integrated and industrialized economies is at the heart of the AMV agenda. Unfortunately, infrastructure for raw minerals deals have seen an upsurge during the period even as no meaningful efforts at adding value to the mineral chain have been undertaken. Guinea and Ghana lead the charge in this regard in recent times by concluding infrastructure for bauxite ore deals with China. Guinea and Beijing signed a deal in 2017 involving US\$20 billion in loans over 20 years in exchange for bauxite. China has similar arrangements with the Democratic Republic of Congo, the Republic of Congo and Angola. Ghana is the latest

to have also handed over 5 percent of its bauxite reserves to China in exchange for \$2bn for infrastructure development.

Other areas of the AMV implementation that have not received serious attention include the AMDC itself, set up in 2013. In its years of operation the AMDC has helped some countries with their country mining visions, CMVs and partnered institutions like the African Development Bank, the UNECA, the UNDP, among others to provide the necessary financial and human resource support through capacity-building for mineral endowed Africa countries. In its first- five years of operations, the AMDC, was funded largely by Australia and Canada which have huge mining interests in Africa and are prime beneficiaries of the deficient, operative mining model. Resourcing the AMDC, a critical agency in the success of the AMV, has therefore not appeared to be a priority for many African countries. In the words of a former AMDC coordinator, Kojo Busia, "Africa needs effective institutions and highly skilled people" if the objectives of the AMV are to be achieved, investing in these however, seem to have been lost on African leaders. The AU has agreed that

Guinea should be the permanent host of the AMDC. So far support for the move has been lukewarm. Only 2 (Mali and Guinea) out of the 15 countries required to ratify the AMDC agreement to bring it into force have so far ratified it.

African civil society groups including trade unions have been at the forefront of the battle to make the AMV work. From the drawing table through its implementation stage and ten years on groups like Third World Network-Africa (TWN-Africa), Southern Africa Resource Watch (SARW), Tax Justice Network-Africa (TJN-A), Zimbabwe Environmental Law Association (ZELA) and leading national CSOs across the continent have played all kinds of roles to ensure the AMV is on the frontlines of Africa's development agenda. Two years ago, the AMV was the theme for the annual Alternative Mining Indaba in Cape Town. Significantly the African bloc in Publish What You Pay has decided to work on the AMV.

In October, African civil society activists from all over the continent met in Johannesburg to review the ten years of the AMV. Five years ago, there was a similar review and planning meeting

THE AFRICA MINING VISION: AT A GLANCE

The primary and long term goal of the AMV is the creation of circumstances that support a “transparent, equitable and optimal exploitation of [Africa’s] mineral resources to underpin broad-based sustainable growth and socio-economic development”. The main features of the mineral sector which should contribute to achieving this goal are outlined in a number of broad areas as follows:

- (i) A knowledge-driven African mining sector that catalyses and contributes to the broadbased growth & development of, and is fully integrated into, a single African market through:
- (ii) Down-stream linkages into mineral beneficiation and manufacturing;
- (iii) Up-stream linkages into mining capital goods, consumables and services industries;
- (iv) Side-stream linkages into infrastructure (power, logistics; communications, water) and skills and technology development (HRD and R&D);
- (v) Mutually beneficial partnerships between the state, the private sector, civil society, local communities and other stakeholders; and
- (vi) A comprehensive knowledge of its mineral endowment.
- (vii) A sustainable and well-governed mining sector that effectively garners and deploys resource rents and that is safe, healthy, gender and ethnically inclusive, environmentally friendly, socially responsible and appreciated by surrounding communities;
- (viii) A mining sector that has become a key component of a diversified, vibrant and globally competitive industrialising African economy;
- (ix) A mining sector that has helped establish a competitive African infrastructure platform, through the maximisation of its propulsive local and regional economic linkages;
- (x) A mining sector that optimises and husbands Africa’s finite mineral resource endowments and that is diversified, incorporating both high value metals and lower value industrial minerals at both commercial and small-scale levels;
- (xi) A mining sector that harnesses the potential of artisanal and small-scale mining to stimulate local/national entrepreneurship, improve livelihoods and advance integrated rural social and economic development; and
- (xii) A mining sector that is a major player in vibrant and competitive national, continental and international capital and commodity markets.

Key tenets of the Vision and programme clusters

The AMV is founded on the following fundamental pillars:

- Optimizing knowledge and benefits of finite mineral resources at all levels of mining and for all minerals;
- Harnessing the potential of small scale mining to improve livelihoods and integration into the rural and national economy;
- Fostering sustainable development principles based on environmentally and socially responsible mining, which is safe and includes communities and all other stakeholders;
- Building human and institutional capacities towards a knowledge economy that supports innovation, research and development;
- Developing a diversified and globally competitive African mineral industry which contributes to broad economic and social growth through the creation of economic linkages;
- Fostering a transparent and accountable mineral sector in which resource rents are optimized and utilized to promote broad economic and social development; and
- Promoting good governance of the mineral sector in which communities and citizens participate in mineral assets and in which there is equity in the distribution of benefits

in Lusaka marking the 5th anniversary of the AMV. That meeting called on African governments to show ownership of the AMV by making a more serious approach to promoting and implementing its tenets. In Johannesburg whilst the gathered CSOs affirmed the continuing importance of the AMV they drew attention to some of the factors hampering the implementation of its agenda. These include the failure by governments to popularize and nationalize and integrating it into national, regional and continental development agenda. Claude Kabemba, Executive Director of SARW, host of the Johannesburg conference, criticized the “lack of political will” on the part of African governments. He lamented, “the protection of the interests of our countries and the continent” for the bigger interest of the citizenry has not yet replaced the

“profit first” motive for political and FDI interests.

Issues critical to the success of the AMV that were pointed out by the Johannesburg CSOs conference include awareness of African governments of the global minerals sector initiatives that may run counter to the AMV’s objectives. Governments should therefore avoid bilateral and multilateral arrangements that undermine the AMV. Harmonised, coherent and coordinated laws (regional and continental) must become the norm so as to end the “race to the bottom”, national discriminatory mining regimes, aimed at attracting FDI that resulted in handing over mining concessions as near give-aways to multinational mining conglomerates..

Price volatility inherent in the global commodity market must also be taken

into account else perceived gains could be eroded in no time. There was a call for effective collaboration between multiple stakeholders like CSOs, the AMDC, the Geo-Science Centre in Arusha and the various mineral endowed countries to ensure skills and information share among others.

On the consolidation of civil society efforts to bolster the AMV, there were calls to stop signing on to various foreign promoted natural resource governance instruments amounting to duplication of efforts instead of working together to promote the continental initiative.

Not all CSO activists are supportive of the AMV, however and even hesitate to see the AMV as a game changer. Nnimmo Bassey, an activist from Nigeria cautions against seeing the AMV as anything but ‘a modified extractivist agenda and does not portray Africa as continent showing signs of being part of a global efforts to move beyond extractivism’. More significantly the most important international NGOs working on extractive issues in Africa have studiously avoided supporting or identifying with the AMV agenda and persist with work which essentially reinforces the paradigm that the AMV is challenging.

The failure of African countries to significantly advance the AMV agenda ten years on is obvious and disappointing but arguably the most important achievement has been its endurance and presence in the mainstream of African policy discourse and expression in policy frameworks. This has legitimized a paradigmatic challenge to the policies which have underpinned dominant mineral governance policies that have been primarily beneficial to foreign owned firms and a narrow stratum of Africa’s elites. There is a growing constituency within African society for the AMV agenda, how this constituency grows and acts will be critically important for implementation and progress over the next ten years.

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