Minerals and Africa's Development: Challenges and Opportunities

Joseph Atta-Mensah 1 · Kojo Busia 2 · Fui Tsikata 3 · Jerry Ahadjie 4 · Nellie Mutemeri 5 · Yao Graham 6

Published online: 21 June 2021
© The Author(s), under exclusive licence to Springer-Verlag GmbH Germany, part of Springer Nature 2021

Abstract

Africa’s vast mineral resources can play a transformative role when managed within the context of the continental blueprint for mining (AMV) and others including the ISG report on “Minerals and Africa’s Development”. It has been 12 years since the AMV was approved for implementation. One critical message from the ISG report and the AMV is to use the notion of linkages to change mining as an enclave activity to one integrated with the rest of the economy. Whilst this has not happened completely, some progress has been made. Besides, a lot has happened and is still happening. These include mining automation, energy transition and COVID-19 among others. One key global trend that will impact significantly on the mining sector is the energy transition; thus, Africa needs to position itself to take advantage of the opportunities, whilst mitigating the challenges. Furthermore, implementation of the AMV will only succeed when a supportive constituency is built by active engagement among governments, CSOs, the private sector and Research Think Tanks.

Keywords COVID-19 · AMV · Mining

Introduction

As part of a webinar series on Africa’s COVID-19 response in the Extractives sector, the African Development Bank’s African Natural Resources Centre (ANRC) and the African Legal Support Facility (ALSF) in partnership with the Nordic Africa Institute (NAI) held the third webinar on 26 February 2021. The topic of focus was “Minerals and Africa’s Development: Challenges and Opportunities”. The webinar was also used to honour the late Dr. Wilfrid Lombe and the late Paul Msoma for their contributions to Africa’s mining sector. The event attracted about 300 participants from across the world, including the Regional Member Countries, the mining industry, development institutions, CSOs, the media and academia.

Moderating the webinar, Mr. Stephen Karangizi, the Director and Chief Executive Officer of the ALSF, explained that the theme for the webinar was drawn from the International Study Group (ISG) report produced in 2011. He said, the underlying thinking in the Report is that the continent’s vast mineral resources can play a transformative role in Africa’s development. This he added, can be possible only if the resources are used to build appropriate social and economic development linkages that meet national and regional developmental objectives. This is in tandem with the Africa Mining Vision (AMV) of 2009 which laid out what has been called the blueprint for a “transparent, equitable and optimal exploitation of Africa’s mineral resources to underpin broad-based sustainable growth and socio-economic development”. Both the ISG report and the AMV explore critical issues for sustainable mineral development in Africa. The
The Irish Poet, Patrick Kavanagh, once said: “A man is original when he speaks the truth that has always been known to all good men.”

My main man was original. A man of character.

I met Lombe, as we fondly called him, when I joined United Nations Economic Commission for Africa (UNECA) in 2004. He worked under Dr. Robert Okello in the Office of Programme Coordination. In 2006, he moved to NEPAD and Regional Integration Division. Fate will have it that I will later become the Director of Regional Integration and Trade Division (RITD). This is where I remember a man who is very gifted in his profession. It was in RITD that I witnessed his passion for excellence in the field of infrastructure, natural resource and mineral development. Lombe understood development work more than anyone and was passionate about exploring new found knowledge in support of advancing Africa’s development agenda. We shared a passion for Africa’s development and the idealism of pan-Africanism. It was in RITD that I formed a deep personal friendship with him.

He was:
A man who is very gifted in his profession.
A man who has accomplished so much yet endowed with great humility.
A man who always believed that without love, life can be cold and cruel.
To know this man is to know which choice he made in his life and to understand why he lived the life he did.
A man who did not have a mean bone in his body.
A man who believed that the most egregious sin was to abuse your power to inflict pain on another.

Tribute to Mr. Paul Msoma

Let me take the liberty to pay a tribute to Paul Msoma. I recruited Paul from Namibia in 2015 from the SADC Parliamentary Forum where he worked on Extractives Governance issues. Like most of the AMDC professional staff, Paul arrived with a lot of energy and commitment to help push the AU agenda for reforming mineral resources governance through the implementation of the African Mining Vision. I assigned him to the Governance Team, in addition to his special function as the Liaison to the AU Department for Trade and Industry, our strategic partner in implementing the AMV.

Within a short period of time, he had mastered the principles and precepts of the AMV and begun building an extensive network among civil society organizations across the
continent. He arrived at the AMDC with a well-honed project-management and facilitation skills, which he deployed in popularizing and sensitizing various stakeholders on the transformative import of implementing the AMV in Africa. His effective partnership with CSO partners produced the painstaking AMDC “Guidebook on CSO Assessment of Implementation of the AMV.” Paul’s skills were versatile and he could literally work in any of the AMV work-streams or pillars, from Geological Information Systems to the Linkages and Diversification of mineral resources. He was highly entrepreneurial in his approach to his work, always taking advantage of opportunities to push the boundaries of our work program. As our partnership with the African Mining Ndaba increased, I assigned him to work with our private sector stakeholders and the mining industry, and in no time, he facilitated a series of workshops that culminated in the adoption of the “AMV Compact with the Private Sector” in partnership with African Chambers of Commerce across each of our continental sub-regions. There was no task beyond the capacity and competence of Paul Msoma and he was diligent and efficient in carrying out his responsibilities. I always assigned his duties knowing very well that it would be accomplished with the highest of standards.

He was an effective team Member and builder and was highly regarded and appreciated by all of our stakeholders. His track record speaks for itself and no wonder he was naturally recruited by the AU to lead the transition period of moving the AMDC to Guinea where it was to be permanently located. His untimely death leaves a big vacuum in this process.

Within one week, COVID has stolen the lives of two of Africa’s sons committed to the reforms of her precious mineral resources for the benefit of her people. Paul dedicated his career to this cause and worked so hard to see its realization. Although COVID has cut short these ambitious plans, the unique contributions he made would be passed on for others to follow. May his calm soul rest peacefully, knowing that he ran a good race and won some of the battles! God keep his soul!

Dr. Kojo Busia

Minerals and Africa’s Development: reflections on the ISG report and implementation of the AMV

Shortly after Wilfred retired from the UNECA in September 2014, I sent him a message saying that we had missed him at a meeting to produce a guidebook for developing Country Mining Vision statements. He replied that he had missed “the intellectual and collegial assembly that the group had achieved”. That assembly evolved principally through the work done on producing Minerals and Africa’s Development (“the ISG report”) and in the course of working on the Africa Mining Vision.

The ISG report, which originally we thought would take two years to produce, ended up taking four years. However, towards the midway point, members of the group worked with others to produce the AMV which was adopted by African Ministers of Natural Resources and then by the Heads of State and Government.

My three questions are the following:
First, if we had to select one lesson or one message from the ISG report and the AMV, what would that lesson or message be?
Secondly, would it be reasonable to say that the work of producing the AMV and its elaboration in the ISG report was an exercise in futility by perhaps idealistic persons who were not sufficiently tuned into the impossibility of the aspirations that they sought to express in those two documents?
Thirdly, where do we go from here?

If there is one critical message from the ISG report and the AMV, it is to contrast mining as enclave activity as against mining integrated into the national, regional, continental economy, using the framework notion of “linkages”. The work of Paul Jordan and Marian Lydall, reflected in chapter 8 of the ISG report, was central to the evolution of our thinking.

I am also indebted to the work done by Ghana’s Minerals Commission under the leadership of its founding Chief Executive, Kofi Ansaah, in trying to identify minerals that may not have been in focus but whose development had significant potential for contributing to the national economy and for involving actors other than the dominant, large players. I have since learnt a lot from the work of Morris, Kaplinsky and Kaplan, famously titled “One Thing Leads to Another”.

If we look back on the period before the ISG report and the AMV and contrast it with what has come since, the implanting of the notion of linkages in its many-sided aspects has been a critical advance.

Was the work on the Africa Mining Vision and its elaboration in the ISG report an exercise in futility by idealistic persons insufficiently sensitive to constraints? My clear answer is no. I read literature which point to huge impediments, point to limitations in achievement. And those are important observations to make; but it would be hard to say, and I dare say that nobody would say with confidence, that the aspirations the proposals, specifically of the AMV, are simple pieces of paper with yearnings which are irrelevant, unsustainable and unachievable.

Where do we go from here? Shortly after the ISG report was written, we began discussions about developing an action plan. Wilfred was central in coordinating those discussions. It is really hard to formulate a meaningful and viable action plan which is robust and implementable. The frameworks that
you have to work in—between long-term vision, intermediate processes, short-term activity—are hard to conceptualize in the first instance and even harder to articulate in workable programmes. But that is no reason for not trying.

When we began working on the ISG report, we talked about developing templates and toolkits—specific instruments which would help persons who were implementing mineral policy. It became clear to us that we could not incorporate that aspect together with developing a framework report. So we agreed to concentrate on the framework report. The work of developing templates and toolkits, as far as I know, remains very much to be done. There is a lot that effort would involve. I do hope that that would be a critical part of the continuing work to be done.

Finally, he added that if he was asked in what respect he would update the ISG report, he would point to chapter 3, on global trends. He said that clearly, a lot has happened in the world since 2011. One of the critical concerns of the whole world is the issue of climate change. The implications of climate change and the Paris agreement for mineral policy are many sided and immense. It seems to him that work in that area would be valuable, on the one hand in terms of identifying minerals on the continent which are critical; on the other hand, in terms of lowering the carbon intensity of minerals in use.

Mr. Fui acknowledged Antonio Pedro’s leadership, agility, versatility and intellect during the process of the ISG report preparation.

Mr. Fui Tsikata

Minerals and Africa’s Development: critical success factors in local content development and selected country experiences

Introduction

Whilst Africa boasts of significant mineral endowments, most resource-rich countries on the continent are yet to derive reasonable developmental benefits from the exploitation of their extractive resources. Among the challenges is inadequate linkages. The Africa Mining Vision thus identified local content as one of the strategies towards a more domestically orientated sector and the creation of opportunities for local stakeholders along the Mineral Value Chain. The AMV also noted that to enhance the transformative role of the mining sector, resource-dependent nations need to consider some policy shifts. These include:

Changing the enclave narrative by assigning a more developmental role for mining through the creation of linkages between mining and the rest of the economy;
Creating transparent and accountable mineral sector governance;
Developing specific mineral-related expertise for the mining industry;
Developing relevant infrastructure in resource corridors to facilitate the establishment of industries—with specific reference to power, water, rail, ports, roads and airports; and
Providing technological and financial support to artisanal and small-scale mining endeavors to transform the sector for job creation.

Local content development and implementation challenges

The last decade has seen a growing trend to incorporate local content (LC) frameworks in African mining legislations, but challenges exist. These include:

- Inadequate knowledge of our mineral resources to underpin policy and developmental plans;
- Incoherent LC policies, regulations and sector objectives;
- Low capacity and capability of local suppliers to meet industry standards and quality requirements;
- Inadequate and often weak industrial base, thus unable to supply the extractive industry with competitive goods and services on a sustainable basis;
- Inadequate understanding of the global trends that will affect the mining sector: (i) climate change; (ii) low carbon transition; (iii) technological changes;
- Inadequate monitoring and evaluation frameworks for local content measurement

Addressing the challenges: critical success factors in local content development

Among others, the following have been identified:

(a) Knowledge of mineral resource abundance: Countries need to generate data on resources/reserves to underpin policy development and planning of resource corridors with potential linkages with the larger economy.
(b) Readiness assessment prior to formulation of policies, legal frameworks on local content: Capacity auditing through a SWOT analysis is essential to identify gaps and strategic issues to be addressed to unlock the potential of local content.
(c) Local content frameworks must be integrated with national/regional/continental visions: This certainly cannot be done in isolation. These visions should provide the framework for LC policies to optimise benefits from the mining sector.
(d) Continuous improvement of the investment environment: These include presence of institutions to monitor
the frameworks; stable policy and legal frameworks with sunset clauses well-articulated; investing in infrastructure such as energy, rail, road and port facilities.

c) Harmonised regional approach to local content development and implementation: To the extent possible, regional LC approach should be adopted. This will enable regional member countries to benefit from economies of scale.

d) A central institution for LC management is essential: This institution should enjoy sufficient autonomy for efficient delivery. This will create a platform for coordination and implementing local content policies.

e) Establishment of a robust M&E System for LC measurement: To allow data disaggregation on local content impacts to inform policy.

f) Leverage technology to leapfrog LC development: Need to build synergies between the mining sector and technological hubs. This will involve building the skill of today and those of tomorrow concurrently.

SMEs empowerment: SMEs need to be empowered through establishment of trust funds to provide loans for their business.

National skills initiative: Need to continuously conduct R&D to inform skills of today and the future.

Smart stakeholder partnerships are essential: Collaboration among all actors in the mineral value chain is critical for LC development.

Need for a unique Artisanal and Small-scale Mining (ASM) LC strategy: A dedicated ASM local content strategy. This is important, given the scale of ASM in Africa.

Concluding remarks

• Africa’s significant mineral resources will continue to serve as opportunity to spur industrialisation and socio-economic development;

• Local content requirements should be backed by sector-specific frameworks within the context of national visions. This guarantees their implementation, monitoring and measurement.

Jerry Ahadjie

Minerals and Africa’s Development: challenges and opportunities

The unfinished business: ASM formalisation and women empowerment in Africa’s extractive industry

Artisanal and small-scale mining (ASM) in Africa is receiving more interest in general and formalisation is picking up steam and more resources are being put into efforts to create dedicated policies and interventions that support the sector. A further sign of positive change in the right direction is the increasing recognition of women miners, who provide up to 50% of the small-scale mining workforce in Africa, out of the approximately 9 million miners. However, if you take a closer look at these ostensibly more progressive interventions, you find that few of them make specific provisions for women. There is little mention of the unique challenges that women in the sector face, such as differential access to finance, which hinders the ability to accumulate capital. Gender norms perpetuate power imbalances, and women are excluded from the more profitable areas of the mining value chain because they are deemed physically or intellectually “inferior”. Literacy rates are lower among women, and low literacy limits opportunities for training as well as awareness of their rights. Overall, women are more vulnerable to the negative impacts of ASM, including exposure to mercury.

Addressing these issues is not just a matter of justice or equality. It is crucial for economic and social development. Research shows that policies that benefit women benefit children and families in general.

What should be done?

One of the most glaring limitations to effective intervention planning is a lack of timely, reliable data on how the ASM sector is organised in individual countries. To improve gender mainstreaming, gender disaggregated data is crucial. When conducting baseline studies, researchers should actively seek out the perspectives of women. They may not be as visible, but we know they are there. Data collection tools should incorporate gender-sensitive approaches. The same approach should be applied to project monitoring and evaluation. There should also be more women involved in decisions about how to use that data. This means increasing the number of women in governing bodies. Having fresher perspectives is a good way to combat the bureaucratic inertia that impedes progress. At the grassroots level, there should be more effort put into having more women participants in training sessions and workshops. Skills development workshops should include education on the contribution of women in the sector and the benefits of gender equality. Both men and women need to see that there are clear incentives to changing long-held practices. Collective action through organisations such as the Association of Women in Mining Africa (AWIMA) enhances women’s capacity to participate in interventions.

While these solutions may be “taxing”, there is every reason to be hopeful that practitioners are able to implement them. The Africa Mining Vision is an example of a continental “policy framework” that “encourages” practitioners to “deal with” contextual realities, including gender concerns. Though the AMV mentions gender inclusion in one of its key tenets, there is still need to provide specific guidance on how this actualised at the national level where policy change will be effected. Through the AMV domestication processes, there is
plenty of room for gender concerns to be incorporated provided all the stakeholders have the will.

Prof. Nellie Mutemeri

International trade and investment issues and the role of CSOs in the implementation of the AMV

My presentation takes off from the points made by Fui Tsikata about the centrality of linkages in the vision of transformation set out in the AMV and justified by the ISG report and the related point that even if these were animated by idealism, the two documents are not exercises in futility. The development of mineral-based linkages is fundamental to the transformation of the commodity export-dependent economies, bequeathed to Africa by colonialism. In mineral export-dependent countries, the mineral enclave is very central. Ultimately, the building of linkages is about industrial transformation requiring industrial policy. International trade and investment policies are an important part of the required industrial policy.

The ISG report identifies international trade and investment issues as of systemic importance for the transformation agenda of the AMV. International trade and investment policies and rules are key influences on what types of investment take place, in which sectors, how goods, services and capital flow across national borders, the different kinds of enterprises which emerge and who own or control these enterprises. Since the 1990s, liberalizing trade and investment policies and rules have supported the expansion of Africa’s mineral economy and mineral exports. This expansion has also intensified Africa’s raw commodity export dependence and the importance of mineral enclaves.

The building of mineral linkages requires a different mix of international trade and investment policies and rules than those which enabled the raw mineral export-oriented mining sector. This requires domestic policy changes as well as African countries changing their stances in international trade negotiations, the demands they make or accept in bilateral investment treaties (BITs), the positions they take in bilateral relations with countries interested in accessing the continent’s minerals. The issues also call for policy coherence, institutional coordination not only at the national level but also regionally and among African governments in international policy and negotiating arena.

In the period since the publication of the ISG report in 2011, African countries have not made much progress in terms of the shift and coherence in their trade and investment policies and relations which must underpin a linkage building strategy. Whether it is in the WTO, or negotiations with the EU on the Economic Partnership Agreements (EPAs), BITs and even the Africa Continental Free Trade Area, there is a disconnect between the aspirations expressed in the AMV agenda by African governments and the international trade and investment policies they persist with and the international relations they enter into. It is true that the international climate has not been supportive but there does not seem to be much learning from the lessons of trade and investment policies offered by the experiences of the other countries especially the newly industrialized countries of the global South.

Without a strong supportive constituency for change in society, it will be difficult to effect the shifts in policy and practice needed to advance the agenda of the AMV as elaborated in the 2011 Action Plan and the more recently adopted African mineral Governance Framework (AMGF). Both Wilfred and Paul recognized this and worked hard for the development of such a change coalition. Wilfred played a key role in drawing African CSOs into the development of the AMV Action Plan in 2011. He was also involved in the subsequent awareness building and mobilisation around the Action Plan and the ISG report that Third World Network-Africa (TWN-Africa) co-organised with UNECA, the African Union Commission and AfDB. Paul facilitated a key role for CSOs in the development of the AMGF. The AMGF utilized the content of the AMV Action Plan as the basis for an assessment and benchmarking framework. For example, the section of the AMGF on trade investment and financing issues elaborates a number issues that should be addressed in any discussion about the building of linkages. This makes the issues more accessible and also facilitates the building a constituency for change.

Building a supportive constituency for the AMV in African society is an area where substantial work remains to be done even as progress has been made. The EITI which is focused on revenue transparency offers important lessons in this regard.

Publisher’s note Springer Nature remains neutral with regard to jurisdictional claims in published maps and institutional affiliations.