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THE AFRICAN MINING VISION: A BLUEPRINT FOR DEVELOPMENT

MINEAFRICA 15TH INVESTING IN AFRICAN MINING SEMINAR

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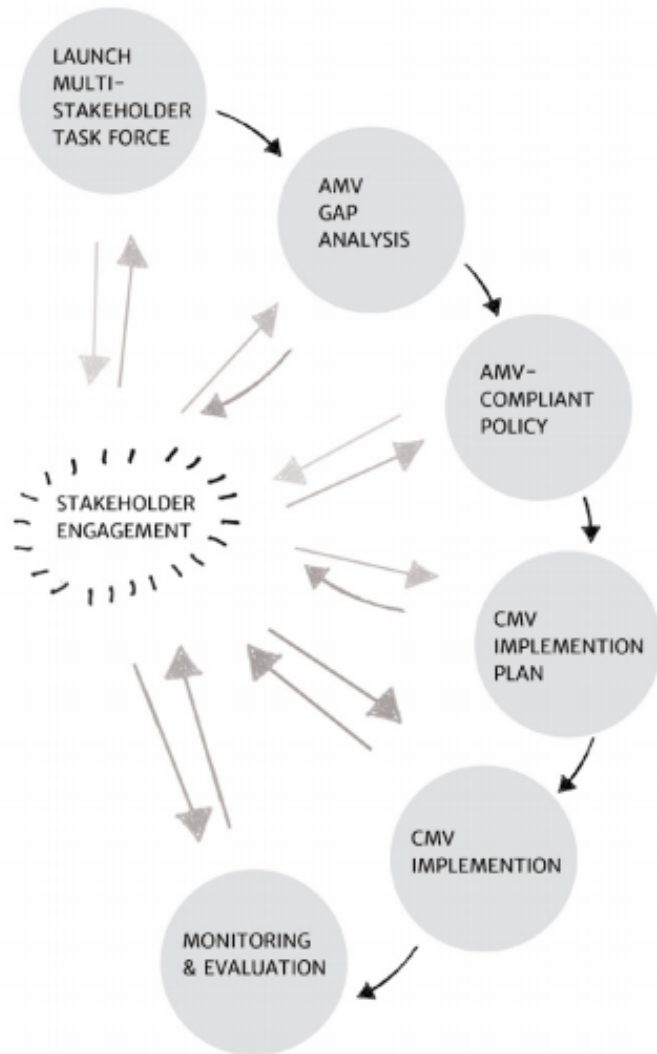
AFRICAN MINING VISION

- The African Mining Vision (**AMV**) was adopted by 54 Heads of State at the African Union Summit in February 2009.
- It is a roadmap to “*transparent, equitable and optimal exploitation of mineral resources to underpin broad-based sustainable growth and socio-economic development*”.
- Expressed as **seven tenets**, the AMV’s objectives are to:
 - promote good governance;
 - develop institutional and human capacity;
 - optimise knowledge and use of minerals;
 - build local and regional infrastructure;
 - stimulate economic diversification;
 - harness the potential of small-scale mining;
 - foster transparency and accountability.

COUNTRY MINING VISION

- To promote domestication of the AMV, the African Minerals Development Centre (**AMDC**) was established in 2013 as an agency of the AU Commission, co-sponsored by the African Development Bank and the United Nations Economic Commission for Africa.
- As “*there is no one size that will fit all countries*”, the AMDC published a *Country Mining Vision Guidebook* in 2014 (**CMV Guidebook**).
- The purpose of the CMV Guidebook is to “*provide decision makers and stakeholders with clear and simple guidelines and options for aligning their mining policies*” to the AMV.
- A CMV is intended to be a collective agenda, broadly shared by the government, labour, business, communities and civil society.

COUNTRY MINING VISION



The government should establish and lead a multi-stakeholder CMV task force, which will:

- identify gaps between the existing mining regime and the key tenets of the AMV;
- formulate a comprehensive and coherent national strategy to outlast political cycles;
- devise and oversee an implementation plan;
- develop legislation;
- strengthen institutions and set up new ones;
- manage communication and expectations.

COUNTRY MINING VISION

- The key focus areas of a Country Mining Vision (**CMV**) are:
 - fiscal regime and revenue management;
 - geological and mineral information systems;
 - building human and institutional capacity;
 - artisanal and small-scale mining;
 - mineral sector governance;
 - linkages, investment and diversification;
 - environmental and social issues.
- Twenty-five countries have begun domesticating the AMV by developing their own CMVs, including: **Tanzania, Ghana, Kenya, Sierra Leone, Malawi, Eritrea, Congo and Niger.**

PRIVATE SECTOR COMPACT

- At the 2016 Mining Indaba in Cape Town, the AMDC launched the AMV Private Sector Compact (**Compact**), with the Mining Industry Association of Southern Africa becoming the first signatory.
- The text of the Compact was unveiled at the 2017 Mining Indaba, outlining reciprocal undertakings by government and business to ensure “shared value” and secure their social licence to operate, including:
 - transparent payment and collection of mineral rents and royalties;
 - combating bribery and corruption;
 - supporting and resourcing national geological surveys;
 - investing in education and human resource development;
 - entering into innovative public-private partnerships.

TANZANIA

- In March 2015, the government enlisted the assistance of the AMDC and United Nations Development Programme to undertake a multi-sectoral and multi-stakeholder CMV process.
- The emerging key focus areas of Tanzania's CMV include:
 - upskilling government officials to assist the Minister in better management and review of mining development agreements;
 - ensuring that Tanzanian nationals become more involved in the provision of services to the mining industry; and
 - ensuring that mining products are made available for consumption by local downstream industries.
- On the Fraser Institute's Policy Perception Index, Tanzania's ranking has risen slightly from 63rd out of 109 jurisdictions in 2015 to 59th out of 104 jurisdictions in 2016.

GHANA

- In June 2014, amid confusion and dissatisfaction over the 2014 Minerals and Mining (Amendment) Law, Ghana requested the AMDC's assistance in formulating a CMV.
- In 2015, the Minerals Commission (in collaboration with the United Nations Development Programme) held a series of CMV workshops involving a wide range of stakeholders.
- Also in 2015, Ghana commissioned a study by the AMDC and the German Federal Institute for Geosciences and Natural Resources, on opportunities to use mining to diversify the country's economy.
- In February 2016, with the support of the Chamber of Mines, the government unveiled a new Minerals and Mining Policy, focused on economic diversification and combating illegal mining.
- On the Fraser Institute's Policy Perception Index, Ghana's ranking rose significantly from 52nd out of 109 jurisdictions in 2015 to 31st out of 104 jurisdictions in 2016.

KENYA

- In May 2016, Kenya's antiquated 1940 Mining Act was replaced by a new Mining Act, laying a foundation for greater regulatory certainty.
- While the new Act imposes new burdens on the industry, it also reduces executive discretion, creates an autonomous Mineral Rights Board, and sets clear timeframes for key decisions.
- In late 2016, Kenya launched its CMV process with a four-day retreat for government ministries, academia and civil society, followed by a two-day "national dialogue" for communities from across the country.
- At the 2017 Mining Indaba, Mining Minister Daniel Kazungu Muzee confirmed that the "*new mining act borrows heavily from*" the AMV.
- These reforms may have contributed to Kenya's ascent on the Fraser Institute's Policy Perception Index, from 84th out of 109 jurisdictions in 2015 to 76th out of 104 jurisdictions in 2016.

CONCLUSION

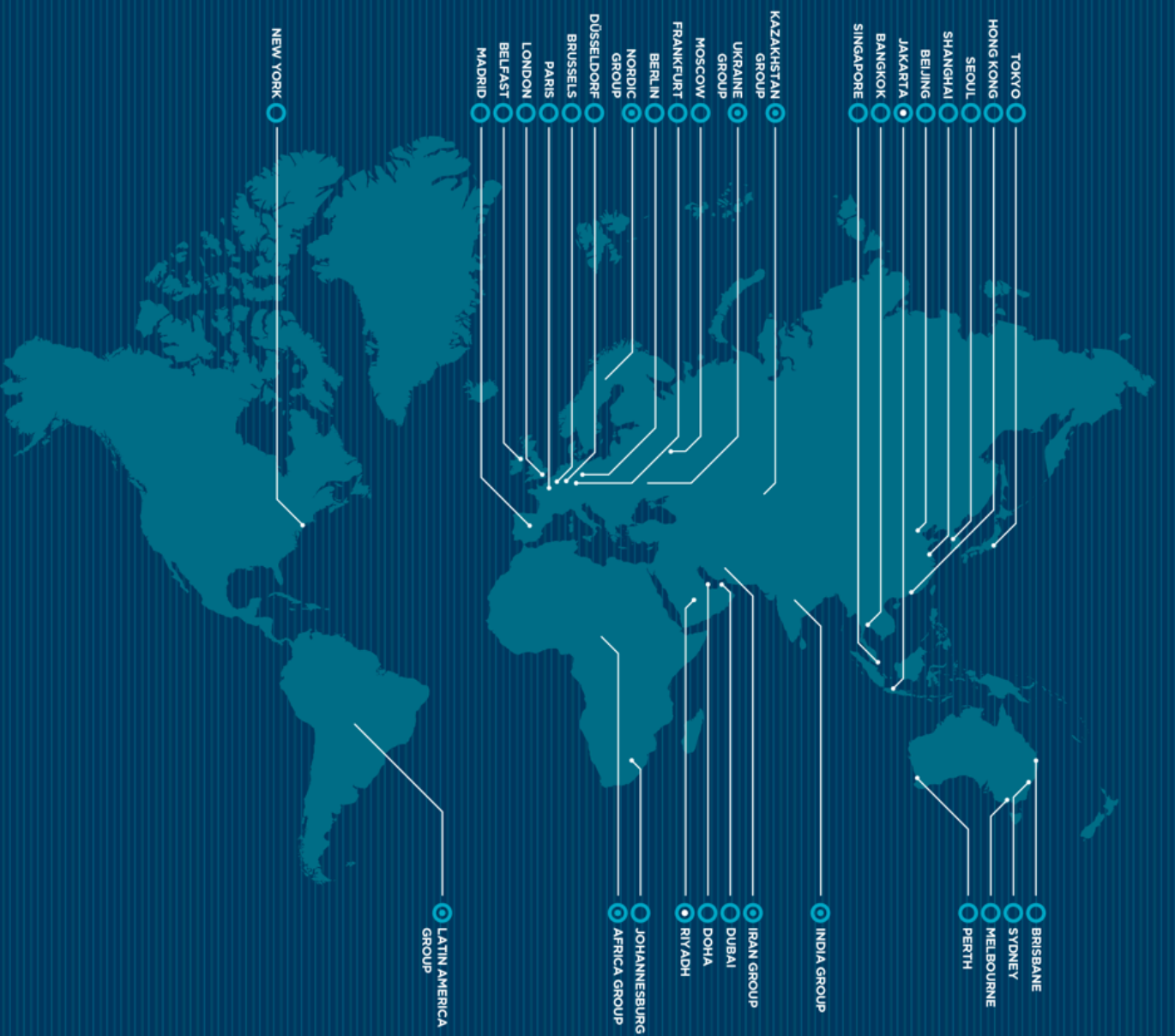
- The outlook for sub-Saharan Africa is difficult and unpredictable.
- Projecting only 2.9% growth in 2017, the World Bank warned in January that "*heightened policy uncertainty in the US and Europe could lead to financial market volatility and higher borrowing costs or cut off capital flows to emerging and frontier markets*".
- To attract foreign investment in these conditions, African mining jurisdictions should reduce uncertainty and foster trust in their regulatory institutions and practices.
- If African governments can embrace these essential conditions for investment and mining companies see the need and opportunity to contribute to their host states' infrastructural, industrial and social development, there is no reason why the AMV cannot be achieved.

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