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MADI AFRICAN TIMES



The Minerals Africa Development Institution (MADI) Limited is a social enterprise registered in Uganda as a company limited by guarantee with an aim of supporting African countries in sustainable mineral resources development. MADI de-risks the African minerals sector to ensure there are mutual social and economic benefits accruing equitably to all key stakeholders (public, private and communities) while protecting the environment.

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April 2021

MADI
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ANNOUNCING MADI EVENTS

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Signature Event



PROMOTING
MINERALS REGIONAL
VALUE CHAIN
WITHIN
THE AfCFTA CONTEXT:
*FROM RAW COMMODITIES
TO BENEFICIATION*

August 2021

SIGNATURE EVENT: AUGUST 19 AND 20, 2021

CONTEXTUALIZING AFRICA'S MINERALS VALUE CHAIN IN THE AFRICA CONTINENTAL FREE TRADE AREA

THEME: *FROM RAW MATERIALS TO BENEFICIATION - PROMOTING THE MINERAL VALUE CHAIN IN AFRICA IN THE AfCFTA*



**MINERALS &
SUSTAINABLE
DEVELOPMENT**

MODULE 1: MINERALS POLICY, LEGAL & INSTITUTIONAL
FRAMEWORK FOR MINERALS DEVELOPMENT IN AFRICA

TRAINING

MADI AND ALSF JOINT TRAINING PROGRAM IN MINERALS AND SUSTAINABLE DEVELOPMENT – JUNE 2021 (TBC)

THREE NEW MEMORANDUMS OF UNDERSTANDING (MoUS) SIGNED BY MADI



MEMORANDUM OF UNDERSTANDING BETWEEN THE BUSINESS ETHICS NETWORK OF AFRICA (BEN-AFRICA) AND MINERALS AFRICA DEVELOPMENT INSTITUTE (MADI) LIMITED

BEN-Africa is a non-profit, public benefit organisation with a mandate and mission to strengthen the commitment and competence of Africans to do business with moral integrity by facilitating interaction between academics and practitioners who share an interest in business ethics.

BEN-Africa is headquartered in Stellenbosch, South Africa and the organization's web address is: <https://www.benafrica.org/>

With the MOU signed, BEN-Africa and MADI will establish and strengthen relationship and cooperation in the following areas:

- Mutual recognition through Information exchange and advertising on organizations and their own or joint events on websites, newsletters, conferences, etc.
- Publishing in each other's newsletters, articles of common interest as agreed freely and free of charge
- Exchanging publicly available knowledge resource materials that are made available free of charge by the respective parties, provided that the Parties understand that this does not apply to any knowledge resources that either Party only makes available to its members or that is sold to its members or the general public;
- Collaborating in projects and events of mutual interest, such as research projects' data collection' conferences, business forums and seminars).
- Any other areas of interest for both parties.



MEMORANDUM OF UNDERSTANDING FOR PARTNERSHIP BETWEEN AFRICA INTERNATIONAL TRADE & COMMERCE RESEARCH (AITCR) AND MINERALS AFRICA DEVELOPMENT INSTITUTE (MADI) LIMITED

AITCR is an International Trade Consulting Firm that offers strategic consultancy services with the aim of supporting African economic growth through trade and investment. AITCR provides a comprehensive spectrum of services for commerce, investment, commodity sourcing and supplies, new market research, product and service sourcing, import and export consulting services, market-based researched information gathering regarding suppliers and customers, trade leads, and identifying potential wholesalers, distributors and in-country international representatives.

AITCR is headquartered in Lagos, Nigeria and the Organization's web address is: <https://africainternationaltrade.com/>.

With the MOU signed, AITCR and MADI will establish and strengthen relationship and cooperation in the following areas:

- Training and Capacity development;
- Policy advisory services in relation to the transformation and professionalization of ASMs;
- Research and Analysis for the Minerals Sector value chain development and management;
- Trade & Market Access, Climate change;
- Attracting responsible international and African investments; for various Sectors
- ICT interventions; and
- Other areas of relevance and mutual interest by bringing expertise from both Parties in the long run.

For more specific information about the areas of cooperation, please visit www.ma-di.org.



MEMORANDUM OF UNDERSTANDING BETWEEN UGANDA INVESTMENT AUTHORITY AND MINERALS AFRICA DEVELOPMENT INSTITUTION (MADI) LIMITED FOR PROMOTION OF A SUSTAINABLE PRIVATE SECTOR INVESTMENT IN UGANDA'S MINERALS SECTOR

Uganda Investment Authority (UIA) is mandated to initiate and support measures that enhance investment in Uganda

and advise Government on appropriate policies conducive for investment promotion and growth. As a semi-autonomous Government Agency UIA drives national economic growth and development in partnership with the private sector and as an Investment Promotion Agency, UIA mainly markets investment opportunities; promotes packaged investment projects; ensures local and foreign investors have access to information about the business environment so as to make more informed business decisions; and offers business support, advisory and advocacy services.

UIA under the Investment Code Act, 2019, with reference to the National Development Plan III, the Mining Act 2003, and the Presidential Investors Round Table (PIRT) has continually emphasized Minerals as a priority sector and has continued to promote the mineral sector to attract sustainable investment.

UIA is headquartered in Kampala, Uganda and the organization's web address is: <https://www.ugandainvest.go.ug/>

With the MOU signed, UIA and MADI will establish and strengthen relationship and cooperation in promoting sustainable private sector investments in Uganda's mineral sector. More specifically, UIA and MADI agreed to:

- Support the Presidential Investors Round Table (PIRT) on Minerals Value Addition;
- Promote Uganda's mineral sector in different national, continental and international publications, including the International and Africa Mining Journals, MADI Newsletters and other publications;
- Organise and/or participate in national and international (including Diaspora) Investment Symposiums, Conventions, Conferences, Workshops, Trainings, Exhibitions, including MADI Signature Annual Events;
- Organise Bilateral High Impact Investment Exchange Programmes (B-HIIEP) between Uganda and strategic Countries;
- Undertake strategic research and engaging in knowledge and information sharing and dissemination;
- Promote dialogue and engagements with stakeholders in the Mineral Sector, including but not limited to Public, Private as well as Non-State Actors (NGOs and CSOs);
- Develop prudent and efficient negotiation strategies for the Government team and carryout research on the best licensing regimes for the benefit of Uganda – including research on the viability of Production Sharing Agreements in the Minerals Sector;
- Any other areas of mutual interest.

FROM MADI CONFERENCES

THE EU REGULATION ON CONFLICT MINERALS AND ITS RELEVANCE FOR AFRICA, March 25, 2021

Presentation by: Ms Lotte Hoex, Researcher at the International Peace Information Service (IPIS) institute based in Belgium and a vice-chair of the multi-stakeholder initiatives the European Partnership for Responsible Minerals (EPRM).



The EU Regulation on Conflict Minerals and its relevance for Africa

Part II
25 March 2021



Independent research institute in Antwerp, Belgium

- Focus on Sub-Saharan Africa
- Conflict analysis, arms trade, natural resources, business & human rights



The EU Regulation on Conflict Minerals

Regulation (EU) 2017/821 of the European Parliament and of the Council laying down supply chain due diligence obligations for Union importers of tin, tantalum and tungsten, their ores, and gold originating from conflict-affected and high-risk areas



AIM OF THE EU REGULATION

Article 1(1) Subject matter and scope

"This Regulation establishes a European Union system for supply chain due diligence ... in order to curtail opportunities for armed groups and security forces to trade in tin, tantalum and tungsten, their ores, and gold. This Regulation is designed to provide transparency and certainty as regards the supply practices of Union importers, and of smelters and refiners sourcing from conflict-affected and high-risk areas."



WHAT IS DUE DILIGENCE?

How does the new EU system of due diligence work?



WHAT ARE CAHRAS?

CAHRAs: conflict-affected and high-risk areas

- **Conflict affected areas:** characterised by the presence of armed conflict, widespread violence or other risks of harm to people. E.g.: international conflict, conflict between two or more states, wars of liberation, insurgencies, civil wars, etc.
- **High risk areas:** areas with political instability, repression, institutional weakness, insecurity, collapse of civil infrastructures, widespread violence, widespread human rights violations and abuses, violation of national and international law



The EU Regulation CAHRA list

To assist companies, a list with CAHRAs was published in December 2020

The list is indicative and not exhaustive

Importers sourcing from areas which are not mentioned on the list remain responsible for complying with the due diligence obligations.



The risk of disengagement from CAHRAs

Industry actors might disengage from CAHRAs and/ or stop purchasing artisanally mined minerals.

Mining actors in CAHRAs may increasingly depend on a reduced number of purchasers which can negatively impact their trading position in the market.



Possible responses to avoid disengagement from CAHRAs

- 3TG producing countries, especially CAHRAs, should be aware and prepared for the due diligence requirements this regulation imposes on companies sourcing from their mines
- Effective measures at both ASM and LSM mining operations should be put in place to avoid human rights abuses and conflict financing
- Transparency and accessibility of data is needed to assure potential buyers of the absence of red flags on the ground.
- Africa to create an own, and OECD aligned, mechanism for the management of conflict minerals



No obligations for companies sourcing below the set annual thresholds

The Regulation only applies to EU importers that import above annual thresholds as set out in the EU Regulation

All volume thresholds are set at a level that ensures that no less than 95% of the total volumes imported into the Union of each mineral and metal is covered

For example: refined gold (CN code 7108) has a 100kg threshold, for gold ores (CN code 26169000) this is 4,000,000kg.



THE RISK OF EXCLUDING THE RISKIEST IMPORTS

The thresholds do not guarantee that only lower risk imports will be exempted from the requirements of the EU CMR.

On the contrary, there are good reasons to suspect that many of the highest-risk imports into the EU are transacted in relatively low quantities, some of which may fall below the thresholds and therefore will fall outside the scope of the EU CMR.



THE RISK OF EXCLUDING THE RISKIEST IMPORTS

The EU has not disclosed a dataset with imported volumes and their origin disaggregated by individual EU importers.

Will your country be affected?

It is currently difficult to anticipate whether direct EU imports from specific countries will be affected by the EU CMR.



POTENTIAL RISKS FOR THE ASM SECTOR

- The EU Regulation may encourage companies to withdraw from the small-scale sector
- Limited knowledge and means to ensure transparent production chains at the upstream level
- Uneven distribution of due diligence costs along the supply chain: ASM miners pay the costs. What are the incentives?



POTENTIAL RESPONSES FOR THE ASM SECTOR

FORMALIZATION OF THE ASM SECTOR

For instance, policymakers could focus on:

- Reducing the red tape for miners to access property rights
- Helping governments reform taxes to stop incentivizing smuggling
- Lowering the costs of miner registration
- Working with producer governments to adopt responsible sourcing standards for improving artisanal mining conditions



Recommendations producer country governments

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- Formalize ASM sector
- Reduce red tape on land ownership for ASM
- Ensure alignment between domestic and international regulations
- Use EU CMR as an opportunity to mainstream human rights and gender into national legislation
- Reduce tax incentives for smuggling
- Adopt appropriate measures to incentivise due diligence in domestic gold supply chains



Recommendations to private sector

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- Expand scope of efforts to relevant issues beyond conflict
- Share financial burdens along supply chains in an equitable way
- Risk Management: Stop sourcing from smelters and refiners that fail third-party audits
- Technical support for progressive improvement among producers lest they turn to less demanding importers and further fuel illicit trade
- Facilitate access to finance to free producers from dependence on predatory smugglers



Recommendations to civil society

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- Go beyond "conflict" and work on socio-economic, environmental, health and safety issues
- Scale up monitoring and evaluation of EU CMR and beyond
- Raise awareness about the EU CMR and due diligence
- Enable knowledge sharing between producing countries
- Strengthen local forums for sustainable development in ASM communities
- Encourage CSOs to play an active role in due diligence
- Keep up the pressure



Collective action

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- Speak about responsible sourcing instead of conflict minerals
- Get rid of silos: cooperate & partner across organizations
- Engage in multi-stakeholder initiatives, like the EPRM
- Develop tools to support enforcement of the EU CMR and capacity-building to strengthen enforcement in producer countries
- Conversation should include ASM/LSM interface
- Identify and protect vulnerable groups along the supply chains
- Look beyond Central Africa





MADI INTERNS 2021



MADI - Minerals and Geological Information Department

KESEGO PATIENCE LETSILE (Botswana)

Kesego is currently on the verge of completing her MSc in Geology Programme. She is researching into the "2D joint gravity and magnetics forward model of the khurutshe fault and its implications for ground water exploration" in the masama wellfield in Botswana."

Kesego has developed research, fieldwork, processing, modelling and interpretation skills for the gravity and magnetic methods

She also has a bachelor's degree in Applied Geophysics and a postgraduate diploma in Advanced Taxation. Kesego worked as a graduate volunteer at Botswana Geoscience Institute in the Seismology Department, processing backlog seismic data. She also taught physics, for two years at Matshekge and Mmadinare Senior Schools.



MADI – Corporate Affairs Department

JUUKO JOEL NAKIBINGE (Uganda)

Juuko Joel is a fresh graduate with a bachelor's degree in business administration, who just completed his internship with Uganda Revenue Authority, where he worked under various divisions in tax refunds, revenue collection, stores, revenue accounting, procurement disposal unit (PDU) and also human resource.

He is passionate about using whistle blowing to improve ethical procedures in corporate institutions.



MADI – Industry, Value Addition, Beneficiation, ASM, Women and Youth and Blue Economy Department

BEEGIRA MARIKO (Uganda)

Beegira Mariko has a Bachelors of Science Geology Degree (BSc) from Makerere University and seven years of work experience in the geological mapping, exploration for precious metals, geochemical surveys, core logging drilling, underground mapping including section and plan models for underground tunnels. He is currently working as a Quarry manager for Lafage-Holcim Uganda for quarry development, quarry management, mining safety procedures, stripping, designing of drilling patterns, blasting.

Mariko is a motivated and productive worker who contributes exceptionally to the public good, and strives for continued excellence with his strong communication skills and ethical appeal.



MADI – Industry, Value Addition, Beneficiation, ASM, Women and Youth and Blue Economy Department

LEARNMORE NYAMUDZANGA (Zimbabwe)

Learnmore is a Tax consultant, Economist, and upcoming researcher and economic/tax Justice activist. He is a member of the Zimbabwe Economics Society (ZES) and a volunteer to African Youth Initiative on Climate Change (AYICC) and International Human Rights Commission (IHRC). He is a former ZELA Economic Governance Officer, former tax accountant/manager, former ZIMRA Tax specialist/ Revenue officer, and former Economics, business studies, and Geography teacher. He enjoys researching/blogging/tweeting on taxation, mineral resource governance, transparency, and accountability. Advocating for tax justice so that communities can get their fair share from natural resources. He is determined to contribute to the improvement of tax knowledge and education and to be governance & development researcher and expert in local and international taxation. He is an ACCA student who hold Masters in Tax Policy and Tax Administration from Berlin School of Law and Economics, and Honours Degree in Economics from the University of Zimbabwe. He is currently developing a Blog Website titled Tax Matters and Development.



MADI – Office of the Chairman of the Board

MUTAMULIZA MARTHA KANYONYI (Uganda)

Martha is currently working with MADI particularly under the MADI Internship and Mentoring Program as an Intern under the departments of Global Affairs, Corporate Affairs, Partnerships and partly in Business Development. She is a graduate of Makerere University Business School and pursued a Bachelors of Commerce degree specialized in accounting and auditing. Martha is passionate about building professional relationships, attempting new challenges and experiences and eager to learn and work.

In her free time, Martha is passionate about art, volunteer work and traveling. She had had internship at Uganda Management Institute, consequently she can quickly adopt to any contemporary accounting systems and software.

She has therefore developed comprehensive understanding of accounting methods, accounting software such as Navision and quick books, auditing and taxation with sharp analytical and problem-solving skills.



MADI – Global Affairs and Partnerships Department

PENDO SANIEL MGALE (Tanzania)

Pendo is an Engineer and received her Bachelor’s degree in Mineral Processing Engineering (Metallurgy) from the University of Dar es Salaam, College of Engineering and Technology in 2015. She began working in mineral research and development in 2016. Pendo is certified by Engineers Registration Board as a Professional Engineer and a corporate member of Institution of Engineers Tanzania (IET). Pendo has spent her career in mineral processing and metallurgy since her graduation. Experience includes plant design, management of operation, consulting to operation, sampling and metallurgical accounting. In her current post, she is actively involved in investigation into the effectiveness of techniques and technology for gold recovery in artisanal and small-scale mining as a project engineer.

Pendo was a part-time employee at Africa Mineral and Geoscience Center (AMGC) formerly SEAMIC where she developed skills in environmentally friendly methods for mineral recovery. She is a member of Tanzania Women Miners Association.



MADI - Minerals and Geological Information Department

SAMUEL MENSAH (Ghana)

Samuel has a Bachelor of Science degree in Geological Engineering from University of Mines and Technology in Tarkwa, Ghana. He is a geologist with both brownfield and greenfield exploration experience and exceptional people skills. He also has a good level of technical skills in general geology and mining and versed in core logging, planning and monitoring drilling. His passion is in improving Artisanal Small-Scale Mining Ghana in particular and Africa in general. Samuel is a member of the Ghana Institution of Engineers (GhIE), West African Institute of Mining, Metallurgy and Petroleum (WAIMM) and Accra Mining Network (AMN).



MADI – Business Development, Programming, PR and Marketing Department

VITUMBIKO MANDA (Malawi)

Vitumbiko Manda holds a Bachelor’s degree in Library and Information Sciences and currently works as a Lead Researcher for a mineral consulting firm “Perekezi ASM Consultancy”. Vitumbiko’s passion for the extractive sector has grown so much ever since he started working in the non-governmental sector in communities in Malawi. He believes the that ASM sector is neglected a lot even though it has a big potential to economically empower the rural communities if properly and sustainably managed. Vitumbiko wants to be an advocate and promote the extractives sector through capacity building of local miners, marketing development, research to build knowledge gaps and championing of development of policy, legal and regulatory frameworks that will enable sustainable exploitation of mineral resources.



MADI – Environment and Climate Change

JEAN BAPTISTE SABUKWIGURA (Burundi)

Jean Baptiste is senior geologist from Burundi. He holds a Master degree in Leadership and Management of Organizations from the Light University of Bujumbura, Burundi, and a Bachelor of Sciences degree in Earth Sciences from University of Burundi. He has various skills and trainings including governance in mining sector, OECD guide, and gender aspect in mining sector. He is currently working for International NGO Pact in Burundi as Country Team Leader for ITSCI Project. Jean Baptiste has more than 10 years’ experience in Artisanal and Small-Scale Mining (ASM) in Great Lakes Region where he experienced challenges of ASM management including the conflict minerals, water pollution, environment, occupational health and safety and market issues.



MADI – Environment and Climate Change Department

ANGELINE KASONDA (Namibia)

Angeline was born and raised in Rundu, Eastern part of Kavango region, Namibia. Being curious about nature and it's extinction, she has always wanted to learn more of science - "the more challenging the better". So, she decided to study an Honors Degree Program in Applied Chemistry with Geochemistry Applications at the University of Namibia (UNAM). However, she would love to expand in her career by exploring and studying more about nature. She plans to further her knowledge and studies and complete Masters and PhD studies in Geology.



MADI - Minerals and Geological Information Department

EDITH A.O. COBBINA (Ghana)

Edith is a Geologist who has worthwhile experience in Mine geology, Exploration geology and Geote Engineering. She enjoys being Geologists and spending time in nature and aims to experience more of the practical aspect of geology and it relating fields to acquire and bring the range of skills and experiences for the best execution of projects and benefits of local populations.



MADI - Minerals and Geological Information Department

KUTESA SOLOMON VICTOR (Uganda)

Kutesa Solomon has just completed a Bachelors in Geology Degree at Makerere University and has begun on his geology career through subcontracting at a few water siting projects. Technology and innovation are his area of interest and have become increasingly important in his day-to-day work. He is also working as a Head of Business administration at ODLN SACCO which is a member-owned financial institution where he analyzes and implements the business plans. He is passionate about improving livelihoods of Africans at all levels through innovating and strategic ways of creating a favorable mineral sector.



MADI – Research, Technology and Innovation Department

MARXEL KIZZA JOHN (Uganda)

Marxel Kizza John is a graduate of Uganda Christian University where he completed his Bachelor's degree in Oil and Gas Management. He also holds an International diploma in Logistics and Transport from the Chartered Institute of Logistics and Transport (CILT). Currently he's working as a Sugar Cane Analyst at Sugar Corporation of Uganda Limited (SCOUL). His ultimate goal is to attain knowledge of the different dynamics involved in the different points of the supply chain along the extractives industry.



MADI – Industry, Value Addition, Beneficiation, ASM, Women and Youth and Blue Economy Department

MARGARET EKUA AMOSAH (Ghana)

Margaret's admiration of seeing women in Science, Technology, Engineering and Mathematics (STEM) developed her passion to pursue a degree in Minerals Engineering at the University of Mines and Technology (UMaT), Tarkwa where she graduated with a bachelor's degree first class honors in Minerals Engineering. As a result of her hard work and perseverance, she was awarded the best female and overall graduating student of her graduating class that year (2020) based on her outstanding performance. Margaret works in the University's lab as a research assistant assisting in consultation projects and finding solutions to issues related to mineral processing. She is dedicated and committed to her work and believes in team work and working hand in hand to achieve a set target.

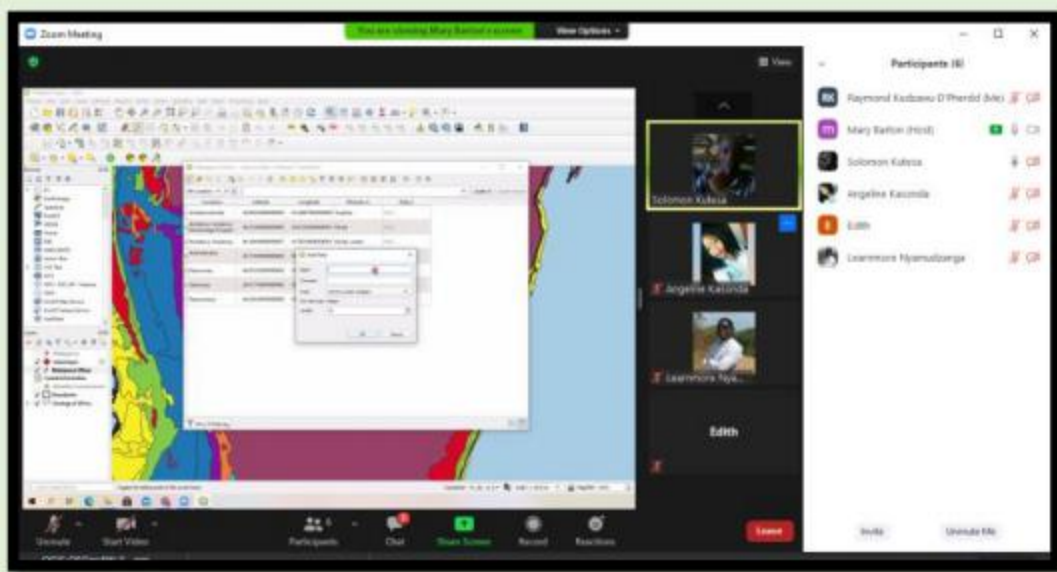


MADI – Industry, Value Addition, Beneficiation, ASM, Women and Youth and Blue Economy Department

TITUS NGHIPULILE (Namibia)

Titus is a holder of a BSc and MSc degrees in Metallurgical Engineering (obtained with Distinction) and he is currently based at the Department of Mining and Process Engineering at Namibia University of Science and Technology where he lectures a Mineral Processing course to third-year undergraduate Metallurgy students. He also offers technical support in the Metallurgy laboratory in the department. Additionally, he is pursuing a PhD in Mineral Engineering at the University of Witwatersrand. His research interests are in mineral beneficiation, extractive metallurgy, value addition, blue economy, material characterization. Regarding professional registration and memberships, he is an associate member of SAIMM and registered as Engineer-in-Training with Engineering Council of Namibia (ECN). He is also a lifetime member of Golden Key International Honour Society.

MADI Interns Receive Training in QGIS



Screen short of MADI Intern Training in QGIS

Eight of the 2021 Interns of the Minerals Africa Development Institution received introductory training in the use of QGIS via virtual instruction on March 5, 2021. The programme was organized by the Minerals and Geological Information Department of MADI. Interns were taken through the benefits of using QGIS as compared to other programmes, installation of QGIS and the introductory interplay of the programmes. At the end, participants were able to analyzed the geology of Africa and in relation to the major deposits on the continent.

According to the course instructor Mary Barton, who is also the Head of the Minerals and Geological Information Department at MADI, there is so much data that needs to be harnessed to develop the continent. The

rare earth potential of the countries in the Southern part of the country could be used in formulating continent wide policy in trade and infrastructure for the countries who have them.

The interns will be using their new knowledge in analyzing complex data and proffering mineral resource value chain solution for the continent.



OVERVIEW OF THE MINERAL SECTOR IN TANZANIA

By Pendo Saniel Mgale, MADI Intern

Background

Tanzania is a country rich in minerals and hence, mining is one of the principal economic sectors. Tanzania has substantial reserves of mineral resources, as is evidenced by data made available by the Ministry of Energy and Minerals. The Ministry classified minerals into five groups:

- (i) Metallic minerals group (this includes gold, iron ore, nickel, copper, cobalt, and silver)
- (ii) Gemstone groups (this includes diamond, tanzanite, ruby, garnets)
- (iii) Industrial minerals group (limestone, soda ash, gypsum, salt, and phosphate)
- (iv) Energy-generating minerals (like coal and uranium) and
- (v) Construction minerals (like gravel, sand and dimension stones)

Minerals Production and Exports

Since 2000, Tanzania's mining industry has experienced a boom in mineral exploration and mining activities. However, this is mainly due to the boom in gold production and an increase in foreign direct investments (FDIs) in the minerals sector. The gold production has increased dramatically since the year 2000 - from 2 tons to 50 tons per year, making Tanzania one of the largest

gold producers in Africa. It should be noted that six large gold mines are main contributors to the country's gold production.

Mining makes up more than 50% of the country's total exports, of which a large part comes from gold. In 2011, the value of mineral exports reached \$2.1 billion, more than 95 percent of which came from six gold mines. The mining sector has contributed approximately three percent to annual GDP. The country has gold reserves of 45 million ounces, generating revenue of over a billion USD a year.

Diamonds are also found in significant amounts. Since it was opened in 1940, the Williamson diamond mine has produced 19 million carats (3,800 kg) of diamonds. Gemstones, nickel, copper, uranium, kaolin, titanium, cobalt, and platinum are also mined in Tanzania.

The boom in the mineral sector has dramatically changed Tanzania's export structure. In the period that spans the winning of independence in 1961 to the late 1990s, its exports mainly consisted of agricultural goods such as coffee, tea, and cotton. However, the mineral boom has since displaced these goods from their prominent place. Despite mining being one of the fastest-growing sectors in the Tanzanian economy, contributions to GDP from gold production and minerals exploitation have remained low when compared to their potential and importance to the export sector.

Foreign Ownership and Investments

The majority of mines in Tanzania are owned by the foreign companies, which is largely explained by the power granted to

them by the government: “Foreign mining companies have exclusive ownership of their operations and the minerals recovered and complete power to dispose of them as they wish, including to transfer those rights to other companies, without incurring capital gains tax”.

This very lax regulations have contributed to a big increase in FDIs inflows between 2000 and 2010. UNCTAD data placed Tanzania in the upper-middle ranking of African countries in terms of FDI. The FDI rose from US\$2.78 billion in 2000 to US\$5.94 billion in 2007 (UNCTAD, 2008). As Roe & Essex (2009, p. 16) point out, Tanzania would have appeared at the bottom of this ranking in the early 1990s. With the exception of South Africa, all of the African countries that received more FDI than Tanzania in 2007 where in the oil and gas exploration, production and exporting.

The Role of Government and Continued Challenges

The Tanzanian government has only a limited number of shares in the mining industry. The largest share owned by the government, 50%, is in the Buhemba Gold Mine.

In 2017, drastic and sudden changes affected the mining sector in mainland Tanzania (Act 2017, amending the mining act of 2010). The Parliament of Tanzania, in a bid to protect the country’s natural resources and the employment opportunities for its citizens, passed a series of legislation in July 2017 aimed towards achieving these objectives which also paused on restrictions on the export of raw resources for beneficiation outside Tanzania. Together, these laws are collectively referred to as the 2017 Mining Laws. The introduction of the 2017 Mining Laws formed the basis for the introduction of some mining regulations, including the Mining Local Content Regulations, 2018 (Local Content Regulations).

In addition to challenges such as, numerous taxes, inaccessibility to loans, failure of mineral buyers to abide by the government’s

indicative prices, ban in exportation of raw minerals, too high research costs to afford, high costs of the license, and lack of advanced technology for mining activities, the mining sector has been affected by the Covid-19 pandemic. Not restricted by lock-down measures, mineral production in Tanzania continued, however, often at a reduced pace. Reasons for reduced production include reduced worker mobility, the reduced availability of capital, mineral equipment, or cheap labor to maintain mining tasks, and the reduced demand for certain minerals as, in the absence of often more lucrative international markets, miners are left with local markets only.

Overall, available income, employment, and livelihood opportunities of mining communities were immediately impacted and communities across all regions and sectors struggled to secure basic needs.

Conclusion

While it is virtually inarguable that natural resource reserves can offer substantial economic benefits to a country, this potential frequently goes unrealized, such as the typical Tanzania case. However, this has been the case for many African countries - the mismanagement and misuse of natural resource endowments severely harmed the economic prospects of countries rich in minerals. This situation has been labeled the “resource curse” by Sachs and Warner (2001). Indeed, there is a danger of getting nothing out of mineral potentials. As pointed out by the Spanish writer Miguel de Cervantes in the sixteenth century: “the gratification of wealth is not found in mere possession or lavish expenditure but its wise application” (quoted in Ebrahim-Zaheh, 2003).



ACCESS TO ELECTRICITY AND MINERAL VALUE CHAIN AS DEVELOPMENT BAROMETERS IN NAMIBIA

by Angeline Kasonda, MADI Intern

The Namibian energy and electricity market is in a state of flux and undergoing progressive liberation. The government has set itself the task of

creating an enabling environment in which private sector players increasingly participate in the electricity market. It is hoped that this will usher in new forms of electricity generation and distribution model. From the 2019 data the international energy agency, Namibia has 57% access to electricity which is a quasi-situation between what is considered above average.

Namibia is heavily dependent on imports for her energy supplies: all fossil fuels (coal, fuels) are be imported. Despite the small population of approximately 2.48 million, and a very low

electrification rate of 38%, the nationwide electricity requirement of around 3,600GWh is never achieved. With a peak load demand of +/- 650MW, Namibia only has an installed grid-connected electricity generation capacity of 539.5MW- of this 489.5MW is owed by NamPower and 50MW by IPPs. Most of the IPPs are photovoltaics, as stipulated in the Namibia Renewable Energy Feed-In-Tariff (REFIT) Programme. Therefore, Namibia is dependent on electricity imports from neighboring countries. Around 73% of the total demand of electricity in Namibia in 2019 were supplied by her neighbors. The bulk of these electricity imports are sourced from South Africa.

Over the past decade, sustainable development has taken centre stage in policy debates and has become even more critical in this arena since the adoption of the sustainable development goals

by UN member states in 15 September 2015. Given the depleting nature of the mining and minerals industry, companies in the sector have therefore been called upon to actively take steps to ensure that the livelihood of communities' dependent on their operations continue to thrive and operate following mine closure. Adding weight to the recent focus on mining operations and sustainable development is the sad reality, mining companies in Africa generally do not have a convincing track record of responsible and sustainable mining approaches, leaving future generations and governments with unrehabilitated mining sites and revenue gaps to fill. Mineral resources have also been tagged as the sources of many conflicts, especially in African countries, hindering the maximization of economic benefit from these endowments at the expense of poverty eradication interventions. But contrary to popular belief and perception, mining companies in Namibia do not ascribe to this stereotype and have in fact acquired a strong social license to operate. An example of such efforts is the education programmes implemented by Rio Tinto's Rossing Uranium mine. Since the early 1990s, Rossing Foundation has worked closely with the governments to pursue initiatives that have strengthened the capacity of teachers and provide support to learners, especially in Mathematics and Science. This is an empirical example of how mining companies can contribute to the sustainable development of a country towards the achievement of SDG 4 (Quality education), through Corporate Social Responsibility (CSR) programmes.

In nascent local policy, there has been a shift in the role of the mining sector in the structural transformation of Namibia's economy and sustainable development, primarily through calls for increased value addition to the country's extracted minerals. A few definitions in the mining value addition chain warrant explanation here. Raw materials are regarded as unprocessed ore derived from the mining operation for direct shipment. Beneficiation or value added in the mining sector is referred to as part of the extraction of ore from underground or open-pit operations in which the mineral is processed to produce a concentrate, and smelting and finally refining. Namibia's mining sector is already producing minerals with significant value added, such as special high grade zinc, copper cathode and blister copper. Furthermore, the majority of Namibia's minerals are exported in concentrates and not as raw materials as commonly perceived.

While opportunities do exist for further beneficiation of Namibia's minerals within the mining value chain, there are a number of challenges which need to be addressed first. A lack of economies of scale has been identified as one of the main obstacles for further investment decisions in this sector.

There are also significant opportunities for value addition in manufacturing activities for Namibia's mineral resource. However, for beneficiation in manufacturing activities, competitive advantage is the key driver of investment decisions, not comparative advantage. Such activities require unique skills and craftsmanship, cost competitive production and access to markets which are all areas in which Namibia is currently experiencing significant bottlenecks. Consequently, value addition activities to Namibia's minerals in manufacturing cannot be an immediate contributor or strategy to the economy's

sustainable development until such issues are adequately resolved.

Despite such challenges, significant economic opportunities do exist in the upstream and side-stream linkages created by the sector, which could be a key factor in contributing to Namibia's structural economic transformation process and hence to SDG8 (Promote Inclusive and Sustainable economic growth, employment and decent work for all). The mining industry creates a number of linkages through the critical mass it provides. Up-stream linkages arise through its demand for locally supplied inputs and services. Examples of these range from financial services to capital inputs. Dundee Precious Metals Tsumeb recently identified an economic opportunity to produce sulphuric acid, a major primary input for two mining operations in Namibia, which prior to the local production thereof, was being imported from other countries.

The sector is also rich in side-stream linkages. Side-stream linkages include the support services required for the mine to function effectively, ranging from transport services to power, water, skills, research and development, logistics, communications and financial services. In Namibia, such services and side-stream inputs are provided by the public and private sectors. A railway network, for example, linking a mining operation to a port, could later be leveraged to connect the port to other trading hubs once mining activities have ceased. Namibia is currently looking to pursue such strategies through the envisioned Trans-Kalahari Railway and its National Logistics Master Plan.

While the notion of mining as a sustainable activity was altogether refuted at the beginning, the longevity and livelihood of the sector is dependent on exploration endeavors being undertaken. It is recognized that although such investment decisions, which involve a high degree of risk, are largely dependent and influenced by external forces, they are also influenced by the regulatory environment and policies governing them.

In the last five years, Namibia has managed to attract investments of approximately US\$3 billion into the mining sector, owing primarily to an attractive environment through a favourable regulatory framework. In the last year, however, the positive investor sentiment has reversed as a result of certain policy proposals that would be detrimental to the growth of the mining and exploration sector is affected.

It is thus not the responsibility of the mining sector alone to ensure that their activities contribute to the country. It is rather through effective partnerships and understanding between the public and private sectors including the access of electricity or energy that mining activities can thrive and continue to contribute to the country's development in a sustainable manner. Namibia is indeed on a smooth path in leveraging her mineral resource in her developmental agenda though barely a half of the population have access to electricity.

FROM OTHER SOURCES



GHANA - ENOUGH OF THE TRAINING, INVEST IN US – SMALL SCALE MINERS TELL GOVERNMENT

Source: <https://mobile.ghanaweb.com/GhanaHomePage/business/Enough-of-the-training-invest-in-us-Small-scale-miners-tell-government-1189405>

The Small Scale Miners Association of Ghana has lauded the government for the continuous training and education given them on sound mining practices but insists the government can do better.

According to the Director of Finance for the Association, Francis Opoku, the government must focus more on investing in small scale mining as much as they do for the large scale mining operations.

When asked if their activities had been halted, he responded in the negative. "We still mine. The President says we should keep mining. Our fore fathers mined, we are mining and our kids will also mine. But we now undergo training from the government."

"The training is important for our work to grow and to improve upon our practices. For that, we applaud the government but it should go beyond that", he stated.

He believes the training will amount to nothing if the government refuses to invest in the small scale mining sector. On his account the investment and wholesome involvement of government in their activities is the only sure way to benefit from these training exercises.

Francis made this known in an interview with Samuel Eshun on the Happy Morning Show aired on e.TV Ghana and Happy 98.9 FM.

"After the training, government should have invested or given people the opportunity to invest in the mining sector. That way, demonstration sites can be set up to show our members the proper way of mining".

Citing neighbouring Burkina Faso and Tanzania as models for Ghana, he indicated their governments are highly involved in the actual operations of small scale miners.

To him, the Ghanaian government ends its work after training and putting in place policies to regulate their work. "Mostly, it seems the government tries to distance itself from anything that has to do with small scale mining. It gives tax holidays to large scale mining firms but small scale miners do not enjoy such treatment", he lamented.

According to a research conducted by *Gavin H. Hilson* on the topic Gold Mining as Subsistence: Ghana's Small-Scale Miners Left Behind in March, 2003, the most serious problem imposed by heightened large-scale mine investment and a problem that continues to be ignored by the Ghanaian government is the mass dislocation of indigenous small-scale miners and galamsey—a label given to the resident "illegal" small-scale mining segment. The government completely legalised small-scale gold mining in 1989 in a reactionary move after realising that as much as 20 percent of gold output was being lost through unmonitored small-scale mining channels. But the operating climate has been as unattractive for small-scale miners as it has been favourable for large-scale miners.

The efforts taken to draft and implement laws and registration procedures for small mines have been exceedingly cavalier. Problems begin with the procedures required to secure a license to mine on a small scale, and the inherent delays associated with the application paperwork and countless evaluations pose a considerable problem to the subsistence small-scale miner.

FROM THE EXTRACT – FEBRUARY 2021



<https://www.extractiveshub.org/>

"ZAMBIA IS EASY TO LOVE" - IN CONVERSATION WITH JESSICA VAN ONSELEN



Jessica Van Onselen, Managing Director of Brightguide Africa, specialises in advising governments, companies, donors, organisations, and institutions on communications and visibility strategy. A curious and analytical thinker, writer and

researcher, she is also the host of the geopolitics podcast, The Commute. She has worked extensively in mining, political risk, tax and economic reform in Africa, not least in Zambia. Since the launch of the Extractives Hub in 2017, Jessica Van Onselen has provided invaluable support to the project, support that we greatly appreciate.

Q1. What were your most striking experiences whilst working in Zambia's mining sector from 2015 to the close of 2018? What memories do you hold dear from those years?

Oh, Zambia is easy to love. Exquisitely beautiful, brimming with talent and kindness, it's a great place to work. I thoroughly enjoyed my time in the Ministry of Mines and Mineral Development (MMMD) in Lusaka - it's always one's colleagues and teammates who make for the best memories. We worked together in a small and extremely hot office on the 12th Floor of the Government Complex building!

We had some particularly rewarding collaborations with our colleagues at the Zambia Extractive Industries Transparency Initiative (ZEITI) in Lusaka, thinking through how to take complex and sometime boring sets of data and make them more accessible and fun for audiences. This is much the same philosophy as the Extractives Hub, I suppose - data is pointless if it sits on page 871 of a PDF gathering dust. It has to tell a story.

And that's not just about communications for communications' sake. That's linking communication to better governance. By giving citizens relevant and accurate information about the mining sector in a way that's easy to understand, you can change the dialogue just a little. But an important little. So I think more of that sort of strategic communication for the mining sector, aimed at citizens like we did with ZEITI, is the way of the future.

Q2. How significant is Chinese participation and investment in Zambia's mining sector? Is Chinese investment different in character, or similar, to that of other foreign investment in that sector?

Well, the first thing I need to remind your readers is that the mineral endowment which stretches from northern Zambia up to southern Democratic Republic of the Congo supplies 70% of the world's cobalt. Why is this important? Because cobalt is an essential component of electric car batteries and in your cell-phone. Competition for cobalt is already fierce and is set to

become fiercer. And copper also remains a critical commodity for industrial economies.

That sets the stage for your question.

The ownership profile of Zambian mining has indeed shifted in the past decades. This is primarily the story of China's arrival in Zambia - and also in the neighbouring DRC - as both a significant investor and a hungry customer. The China Non-ferrous Metals Company (CNMC) owns 80% of both NFC Africa Mining in Chambishi, and Luanshya Copper Mines, for example. And there are also significant numbers of small and medium sized Chinese operators to be found across all of Zambia's mining regions. Since the geology of mineral resources is not concerned with man-made borders - this growing investment is mirrored in the southern mining regions of the DRC.

You only need to read the news to know that the history of Chinese-operated mines in Zambia has been somewhat rocky. Shocking tales of shooting mine employees, murder, and arrests used to abound, although these tensions appear to have eased somewhat in recent years, without necessarily disappearing. So direct mine ownership is part of the story. Offtake agreements are the other part - when companies which might be owned by a non-Chinese investor but have guaranteed their production will all be sold to China. That's China as a customer and consumer of key commodities, carefully securing its supply.

Your sharp-eyed readers will of course have already spotted the parallels between China's large investment into Zambia via government loans, and its large investment into Zambia via the mining sector - arguably both to future-proof its mineral supply chain. [According to](#) the Financial Times this month, Zambia currently owes around \$3 billion US Dollars to Chinese entities - but that's a whole other story for another day! In short, it's clear that the Chinese-Zambia relationship is financially intertwined, and is likely to endure long into the future, and this will continue to change the region's mining sector.

THE TRAGIC DEATH OF THE RENOWNED ZAMBIAN MINING EXPERT, DR WILFRED LOMBE



In a long and successful career spanning four decades, **Dr Wilfred Lombe** lectured on, and researched, mineral processing at the University of Zambia, and established technical research facilities at the Eastern and Southern African Mineral Resources Development Centre, a United

Nations initiated technical research centre located in Dar as Salaam, Tanzania. He was the Executive Director of the Johannesburg-based Minerals and Energy Policy Centre, and spent a total of fifteen years with the United Nations Economic Commission for Africa (UNECA), where he led the team working on infrastructure and natural resources development. As such, he was instrumental in establishing UNECA's African Minerals Development Centre (AMDC), that is responsible

for driving forward the Africa-wide adoption of the Africa Mining Vision (AMV). The AMV was adopted by African heads of State at the African Union (AU)'s summit of 2009, and he was AMDC Coordinator from 2012 to 2014.

Tragically, Dr Lombe's death follows less than a month after that of **Paul Msoma**, who died of COVID-19 last month in neighbouring Malawi and whilst serving as the AMDC's Interim Coordinator. Just prior to his death, Paul had catalysed rapid fundraising for critically-needed oxygen flowmeters for use in Lilongwe's main hospital, Kamuzu Central, where he had been admitted. Paul's life was celebrated in the January 2021 issue of the Extract, and is also a central topic of the discussion with Dr Claude Kabemba, below.





Q1. What for you is the single most important aspect of the African Mining Vision (AMV)?

Dr Kabemba: The single most important aspect of the African Mining Vision is that it represents a paradigm shift away from the resource rent-

centred strategy which has governed African mining for two decades. Whilst recognizing the need to improve the fiscal regime of mining, the AMV sets out a multifaceted framework for mineral-based industrialization and structural transformation of Africa's mineral dependent economies. It also seeks improvements in mineral sector governance, including: i) respect for and protection of human rights and the environment; ii) greater democratic engagement with and accountability of governments and mining companies to citizens; and iii) an increased role for local actors in mining industry, including mainstreaming of Artisanal and Small-scale Mining (ASM). The industrialization plank, dependent on the establishment of linkages within and beyond the mining sector, represents the AMV's most challenging goal.

Q2. Why does the AMV matter so much?

Dr Kabemba: The vision matters because Africa has never really owned and optimally benefited from its resources. The resources have contributed more to the development of other societies than the development of Africa. What the resources have done is to do more damage to the continent in terms of pollution and environmental destruction, and they have destroyed the health

of millions of Africans. We see so much poverty around areas where mining takes place, which is really a fact that mining is not contributing as it should to the development of the continent. Africa is facing four major challenges-poverty, unemployment, inequality and climate change. The mining sectors reinforces these problems than resolve them. Talking about unemployment, because we are exporting our minerals raw without adding value, mining is not creating employment for the young people as it should have been if we invested in linkages. By creating industries around mining, we can then also absorb some of the unemployment that we have on the continent.

So, it is so important that Africa changes the model of mineral extraction and commercialization to draw maximum benefits, both in terms of revenue, development, industrialization, and job creation for its younger population. Africa a spectator in the determining the geo-economic shifts underlying the mining boom and bust which are determined by security of supply in a new competition between its traditionally dominant Organisation for Economic Co-operation and Development (OECD) powers and their transnational corporations and the new economic powers, like China. The AMV is an opportunity for Africa to increase ownership and control over its minerals.

Q.3 How is implementation (national domestication) of the AMV progressing in southern Africa vis-à-vis the rest of the continent?

Dr Kabemba: Most of the African Southern African Development Community (SADC) countries have adopted very progressive legislation and policies, which are aligned to the African Mining Vision in many ways. Most of these countries have put in place policies to increase ownership, value addition and local content. SADC has an industrialization policy anchored around mining; a mining harmonization policy and a draft SADC Mining Vision, which shows the willingness to speed up AMV implementation

However, there is a gap between policy and implementation. Countries are not enforcing those policies for various reasons—internal and external. Internally the weakness of the state is a major problem. Externally, Africa is finding it difficult to implement some of the AMV tenets because of World Trade Organization rules, and also pressure from the West and their transnational corporations that operate on the continent to disinvest because of what they consider as increase resource nationalism on the continent.

Q4. How important is the AMDC-led pan-African drive for AMV implementation, and what are your reflections on the work and life of the AMDC's Interim Coordinator, Paul Msoma, who so tragically passed away recently?

Dr Kabemba: The Africa Mining Development Centre was created to give the AMV a house which will facilitate its implementation. It is not the first time that Africa comes up with similar vision. One of the reasons they were never implemented was because there was no implementing structures which were put in place. This time the AU wanted to avoid that mistake. The AMDC is supposed to spearhead the implementation of the AMV. This was the first visible intention of the Heads state and governments commitment to the AMV. However, the AMDC needs to be fully capacitated in terms of human resources, logistic and finances to be able to play its role. However, most African governments have not provided the material support that the AMDC needs. It continues to depend on outside donations.

Q.5 How important is the AMDC-led pan-African drive for AMV implementation, and what are your reflections on the work and life of the AMDC's Interim Coordinator, Paul Msoma, who so tragically passed away recently?

Dr Kabemba:

In Paul we've lost a young, hard-working intelligent African, who was just reaching the peak of his professional career. He had an opportunity given to him to lead one of the most strategic structures of the AU, the AMDC, that was given to him to manage

and to provide it with sufficient efficacy and efficiency to be able to implement the African mining vision. Paul was dedicated to the AMV. The AMV became Paul and Paul was AMV. He was so dedicated to it, I am convinced we would have seen some positive realisations under his leadership. He invested in time, consideration and reflection on how the AMDC should function and be constituted. He had just started his work of as Coordinator of the AMDC when he passed away. The speculation we have is that considering his commitment, his skills and work ethics, he would have really contributed to the implementation of the AMV, by putting in place an AMDC that is functional and capable to respond to the challenges of implementing the AMV. He understood the origin of the AMV and he has contributed to putting in place some of the key pillars. One of his great contribution was the drafting of the Africa Mineral Development Framework (AMDF) which articulates the approach and methodology on how to materialize the AMV. I am sure Paul would have done well in putting in restructuring the AMDC and ensuring that it is an efficient vehicle for the implementation of the African American vision.

Q6. What mineral sector policy and practice standout developments from SARW and/or its partners would you like to share with/ update Extract readers on?

Dr Kabemba: The local content policy across the African continent has been a very progressive step in the right direction. Most African governments have put policies to ensure that mining companies respect local content. Mining companies must ensure they procured locally, and also support manufacturing that can supply goods locally to the mines. We've also seen

policies to empower women as key stakeholders and contributors to the mineral governance. For me, the local content policy is a key mining policy right now across the African continent because it brings out the vigour of the sector and can also bring out the innovative entrepreneurship among young Africans to contribute to providing services the mining sector.

Q7. What has been the role of regional organisations such as the SARW and the SADC in driving forward AMV implementation regionally?

Dr Kabemba: SARW as an organisation work with other organisations of civil society (such Third World Network, Alternative Mining Indaba, Publish What You Pay, and many national organisations) to resolve one of the key problems of the AMV - lack of appropriation by the African masses. We have worked to address the quantitative and qualitative weaknesses of the coalition in support of AMV. Our interventions mobilisation of Community Sector Organization activists, community leaders, public officials, parliamentarians, labour and researchers. The AMV's Action Plan of 2011 recognises them as key implementation actors. Our interventions to sensitize these stakeholders and build their knowledge around the AMV is critical. We have also worked to build collaboration among CSOs and with officials on the AMV's agenda.

Find more about Southern Africa Resource Watch:
<https://www.sarwatch.co.za/>