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MADI AFRICAN TIMES



ARTISANAL MINING IS ONE OF THE FEW WAYS AFRICANS DIRECTLY BENEFIT FROM NATURAL RESOURCES



As consumers become more conscious about the origins of the products they own, artisanal mining has become increasingly more visible. It's been a particular focus of the tech industry, in which the speed and convenience valued in the latest gadget seem at odds with a century-old mining technique. Yet, for thousands of people, this life in the mud and dust remains one of the few ways to take advantage of a country's natural resources. The term artisanal mining is fairly new and reflects a changing perspective on what is still referred to as "illegal mining" in many countries. There's a growing debate on regulating this small-scale mining, to prevent them eating into official revenues, but also to prevent the rights abuses that have become part of the microcosm created by these mining communities.

Photo and Text Credit: [Lynsey Chutel](#), July 27, 2018, QUARTZ AFRICA

ANNOUNCING MINERALS AFRICA DEVELOPMENT INSTITUTION E-CONFERENCE: ARTISANAL AND SMALL-SCALE MINING (ASM) AND CONFLICT MINERALS IN AFRICA – PART 2 FORMALIZATION TO PROFESSIONALIZATION OF THE ASM SECTOR IN AFRICA

November 17, 2020: 2-4 PM East African Time

Please Pre-Register at: <https://ma-di.org/e-conference-registration/>

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ABOUT MADI

<http://www.ma-di.org/>

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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PASSING ON THE MIC

INSTEAD OF SPEAKING ON BEHALF OF THE DELIBERATELY SILENCED, HOW ABOUT WE JUST PASS ON THE MIC? THEIR VOICES MUST BE HEARD!



Artisanal miners sluice for gold by pouring water through gravel at an unlicensed mine in Ivory Coast. Picture: REUTERS/LUC GNAGO

Introduction to the Column

It is not every day that a former student leader, almost theatre and performance major, poet, current postgraduate law student and aspiring Constitutional Court Justice and President of South Africa- gets to write a column on a newsletter for the Minerals Africa Development Institute. Yet this is the beauty of being a millennial. We are the future that the ideological frameworks underpinning the African Union Commission, including Agenda2063, speaks while simultaneously redefining what transformation and empowerment in the African context looks like for Africa, and for Africans, both on the continent and in the Diaspora. Both for the living and the unborn.

After serving under the first elected female Chairperson of the African Union Commission, the former Chairperson Dr Nkosazana Dlamini Zuma, I experienced first-hand the energy that women and the youth bring to the realization of the continent’s transformation agenda, Agenda2063. Being led by an individual who is as revolutionary and determined as the foremothers and forefathers of the African Union, awakened a determination within me to further the vision of a transformed Africa that is prosperous, peaceful, united and integrated. A vision that is aligned with the values of the Minerals African Development Institute (MADI).

In this column, I intend to use and center the language, experiences, realities and perspectives of the often faceless, silenced and erased masses of the continent whose lives are impacted, shaped and affected by the ideological and regulatory frameworks in the minerals sector on the continent. With each publication, I will profile a country and focus on a

group of people whose views and contributions are often not streamlined in mainstream platforms of engagement and policy formulation within the minerals sector on the continent.

As a young person in Africa, I recognize the power that comes with my voice. I also recognize the privilege that comes with a platform such as MADI, that is internationally recognized. With this platform and power, comes a responsibility to bringing to the fore important issues that affect the lives of ordinary people on our continent. In this column I will try to breach the disconnect that often exists between the lived experiences of people on the ground versus the policies, regulations and frameworks that are formulated by our political, business and thought leaders based on our continental, regional and national frameworks. All of which are aimed at transforming the lives of Africa and all Her people.

Borrowing from Maya Angelou’s words where she writes: “I come as one but stand as ten thousand”, in this column of the MADI Newsletter, I commit to bringing a unique perspective to the technical issues involving the development of the minerals sector from a political, creative, artistic and unconventional manner. Standing as one but bringing the perspectives, lived experiences, aspirations, and solutions of those whose voices are often erased.

In the first article I write about my hometown, Kimberley in South Africa, where I was born. My great grandfather’s body lies in the Open Big Hole Mine, the largest man-made hole in the world. He died and drowned while digging for diamonds during the diamond rush in Kimberley.

This is the reason why this column is so important in bringing to the fore the stories and ideas of those who work our mines; those who currently live on the periphery of lawful mining and those whose livelihoods depend on minerals and those whose names, faces and contributions would continue to be erased. But for MADI, documenting these stories and bringing them alive through our Newsletter is an important task. These voices must be heard.

This column intends to bring to light how the transformative work and policies on the continent regarding the development of the minerals sector, impact and affect individuals who may never roam the insides of a lecture theatre hall, a parliamentary sitting and whose voices may never be heard by decision and policy makers and or other stakeholders. This column is aimed at amplifying their voices; their work; their lived realities; their aspirations, and ensuring that each and every one of us, regardless of race, gender, nationality, citizenship status, class or creed- reap the social, political and economic fruits of Africa’s transformation and mineral sector in a sustainable manner.

REABETSWE MATSELENG SEAKECO

Officer - Policy, Legal and Regulatory Framework Department, MADI

**PERSONS WITH DISABILITIES
IN THE ASM SECTOR**



“WHERE ARE THE PERSONS WITH DISABILITIES IN THESE INVENTIONS AND CHANGES THAT ARE HAPPENING IN THE ARTISANAL AND SMALL-SCALE MINING POST-COVID 19?”

This question was asked by an artisanal miner at the CITIZEN’S CONVENTION on MINING 2020, Kampala Uganda.

Africa is blessed with a wealth of natural resources. Literature shows

that Africa is home to around 30% of the world’s known mineral reserves. These include cobalt, uranium, diamonds platinum group metals and gold, as well as significant oil and gas reserves among others. Africa has more minerals that are not yet explored including rare earth mineral but also the so called ‘neglected’ minerals that create even more employment – the low value or Development Minerals. Development Minerals are those minerals that can be value added and consumed in Africa and are used in industries such as construction, manufacturing, infrastructure and rural development. Crucially, they are mined, processed, manufactured and used domestically; domestic can be a country or a region The industry comprises of both the large scale and small-scale and artisanal operations. Artisanal mining refers to mining with minimal technology and generally without any formal organisation, largely involving women, the vulnerable and the poorest populations and often in conflict zones in Africa. To get finer products, individual artisanal miners perform a range of mining activities such as digging, washing, panning and any other support needed for the processing process.

The value of the socio-economic benefits of artisanal mining is immense in both scale and global extent. The opportunity exists to achieve harmony and synergy between governments, corporations of the established global mining industry and the artisanal miners. Artisanal mining often provides the only means of income for rural communities and is therefore vitally important for livelihood and the majority of citizens in Mineral-rich African countries are involved in the artisanal mining operations in both high value and development minerals. Despite great strides being made in many African countries to protect the rights of persons with disabilities, there is evidence that they still encounter several challenges that limit their full and effective involvement in mainstream society, including the mining sector. Although mining operations are mostly labor-intensive, persons with disabilities are not employed within the mines even in areas where they could work. In most cases, the peculiar conditions of persons with disabilities are not taken into account during compensation payments.

Artisanal miners often operate in hazardous working conditions using rudimentary methods and hazardous chemicals. Major health risks associated with artisanal mining include exposure to dust (silicosis, mesothelioma); exposure to hazardous chemicals including mercury, zinc vapor, cyanide, acids, and other chemicals; and the effects of overexertion, inadequate workspace, and inappropriate equipment. In addition to that, the risks to children are also substantial, with mercury emission resulting in both physical and mental disabilities and compromised development. Due to a lack of engineering expertise and capital, there are many accidents in artisanal mining caused by rock falls and subsidence, lack of ventilation, misuse of explosives, and obsolete and poorly maintained equipment — all of which lead to the death of approximately 10,000 artisanal miners annually according to (CIRDI 2018).

It is not uncommon to find miners who have disabilities as a result of working as artisanal miners. Policymakers need to ask themselves how a mining-caused disability has affected one’s life in a social context. Also, how much accessibility do people with disabilities have on the mines? How do

persons with disabilities view safety at the mines? How has disability affected one’s productivity in mining?

As MADi, we understand that persons with disabilities have an operating capacity of 15% say in mine accidents causing disabilities. Therefore, it is of great importance that the voices of those who are often overlooked in society are heard by shedding light on the way that for some, mining is not just a job, it is the cause of a physical impairment that can never be reversed. Improved safety regulations in the mines, increased use of the personal protective equipment (PPE), stronger enforcements in mines, a greater amount of employment opportunities for the population, and more accessible infrastructure for a person with disabilities should be promoted. Mining policies should take into account the needs of persons with disabilities. *Darracq Shawe, of Shondilo Gold Mining, right stated as follows*

“We believe that to help take ASM miners out of poverty we need to build their revenue. To do that we invest in mechanization and safety and that will help develop production and efficiency.”

But the question remains whether policymakers and regulators know the number of persons with disabilities involved in artisanal and small-scale mining in the mineral resource sector or have a database for persons with disabilities in different per region. How best can policymakers and regulators prepare for persons with disabilities to enable them to fully participate in the mining sector?

According to Prof Daniel M Franks, of Sustainable Minerals Institute at the University of Queensland, Brisbane-Australia, there is a need to challenge international policy frameworks and push for structural transformation to develop ASM. *(Canadian International Resources and Development Institute (CIRDI) in 2018. Backgrounder: Artisanal and Small-Scale-Mining (ASM) IN Developing Countries)*

Uganda for example developed a comprehensive National Disability Inclusive Guidelines within, the National Planning Authority (2017) in all sectors and industries. It makes it mandatory for the Authority to ensure that all national plans are gender and disability sensitive. These Guidelines have been prepared to facilitate inclusion of disability as a crosscutting issue in Sector and Local Government plans.

Conclusion

Effective inclusion of persons with disabilities in the mining sector will require a coordinated effort from all stakeholders including the Governments, policymakers, regulators, and representatives of persons with disabilities, NGOs, and the private sector involved in mining operations. Persons with disabilities involved in artisanal mining must be supported to work in a safe environment. Governments should promote policy and legal frameworks that are disability-specific to ensure that all stakeholders take affirmative action in favor of persons with disabilities for redressing imbalances which exist against them. The policies should require persons with disabilities to participate in designing, managing, monitoring, and evaluating initiatives that are meant to improve their well-being. Furthermore, African countries should promote the progressive realization of the rights of people with disabilities, and the achievement of equality in the mineral sector. However, this cannot be achieved by a single sector, but rather through a coordinated multi-sectoral approach to ensure that people with disabilities benefit from and participate in growth and development and lastly strengthen the inclusion and the full participation of people with disabilities and their organizations in planning within the mineral sector in both high value and development minerals.

VANESSA KISAKYE
Officer - Administration and Human Resource Unit, MADi



CONTRACTUAL ARRANGEMENTS FOR AFRICA'S MINERALS SECTOR: COULD A SHIFT TO PRODUCTION SHARING AGREEMENTS ENABLE AFRICAN GOVERNMENTS TO MAXIMIZE VALUE FROM THEIR MINERAL RESOURCES?

1. Introduction

The social and political economy of Africa is deeply rooted in the history of the exploitation of its mineral resources. Africa is still host to large and unexploited deposits of minerals including: platinum, diamonds, manganese, uranium, vanadium and chromium and the minerals of the future nickel, coltan, copper and rare earth minerals. The resource potential of Africa is therefore enormous and the continent has vast opportunities of using its mineral revenues to finance its development priorities through mobilizing revenues for growth, infrastructure development, energy supply, structural transformation, and overall industrialization.

Sadly, despite being richly endowed with a number of minerals, Africa has not been able to maximize value from the exploitation of those minerals for various reasons including:

- political and civil instabilities;
- unfair contracts and fiscal regimes, corruption;
- capacity deficits especially in negotiation of mining contracts, auditing and regulation;
- unfair trade treaties and rules set out by international bodies that penalize Africa's value addition process to its primary commodities;
- transfer pricing, tax evasion;
- inadequate geological information due to African governments' lack of capacity to take stock of their mineral resources which means they rely on the capacities of multilateral companies to gather geological information, thus severely compromising the continent's negotiation capacity and bargaining power; and
- the fact that Africa does not consume or add significant value to its mineral products but is a net exporter of raw materials, fueling prosperity and development in other regions of the world.

Addressing these challenges will require African countries to overhaul policy, legal and regulatory frameworks; promote value addition; formalize and finance artisanal and small-scale miners and, most importantly, adopt and sign fair contracts that promote value maximization.

In pushing for reforms, some African countries are considering the move away from the pure licensing regimes and concessions and introducing Production Sharing Agreements (PSA) in the minerals sector. PSAs have previously been the preserve of the oil and gas industry and very rarely used in the mineral sector.

2. Production Sharing Agreements

A PSA in the context of mining would establish a contractual relationship between an International Mining Company (IMC) and the host Government, authorizing the IMC to explore for and produce minerals in a defined area and for a defined period. The IMC incurs all the costs associated with the exploration and production of minerals. If a commercial discovery is made, then the costs are recoverable before the minerals can be shared between the state and the company. Where no discovery is made however, the exploration costs will not be recoverable by the IMC from the host government. In a PSA regime, the state remains the owner of the minerals

produced subject only to the contractor's entitlement to its share of production. The government or its National Mining Company usually has the option to participate in different aspects of the exploration and development process.

Under a PSA, the IMC would pay a royalty on gross production to the government. After the royalty is deducted, a percentage of the produced minerals is taken by the IMC to recover the costs of exploration and production. This cost recovery can be capped and restricted to individual mining areas. The remainder of the minerals produced is then shared between government and IMC at an agreed percentage. The IMC then pays taxes on its share of profits from the sale of minerals. In addition to a share of profits, there are several other economic routes through which the state takes a share of the production in a PSA including bonuses, fees, taxes, state participation, domestic market obligation and local content.

PSAs have many advantages for the host country including, flexibility; maximization of the host governments revenue through equity participation; improved local content development through procurement of local goods and service, transfer of knowledge and technology; training and employment of citizens; limited financial and operation costs and risk to the host country; fulfilling domestic supply needs; and building up the foreign exchange reserves through exports to the international markets.

Despite its flexibility and other advantages, the PSA has a number of drawbacks which the host country should be aware of including, complexities in drafting and negotiation of the agreements since a number of key factors need to be agreed upon; inflation of costs by IMCs; possibility of the IMCs to influence the markets by selling the minerals at low cost and thus affecting the share taken by the host government; and the likely effect of stabilization preventing legal and fiscal changes.

3. Conclusion

Although Africa has made great strides in creating a vibrant mineral sector, these improvements have not been sufficient to enable the continent to maximize value from its mineral resources. Furthermore, Africa has failed to secure meaningful and sustainable minerals exploitation that is socially and economically integrated into the long-term sustainable development for the benefit of its citizens. Any contractual arrangement or fiscal regime that African countries choose should be able to: maximize value from the mineral resources; provide a fair return to the state and the industry; promote value addition and interlinkages; maximize wealth created by mineral resources; secure supply for the domestic market; promote the development of local content; and protection of the environment. It's time for African countries to try different contractual arrangements and fiscal regimes since the status quo has not promoted maximization of value for Africa.

**Should that different contractual regime be the PSA? What is wrong with the current licensing regimes and concessions?
(to be continued)**

**NANCY AWORI
Chief Executive Officer, MADI**

MADI 2ND E-CONFERENCE ON ARTISANAL AND SMALL-SCALE MINING (ASM) AND CONFLICT MINERALS IN AFRICA

FORMALIZATION TO PROFESSIONALIZATION OF THE ASM SECTOR IN AFRICA

NOVEMBER 17, 2020 2-4 PM EAT

CONCEPT NOTE

BACKGROUND

An estimated third of the world's known mineral-resource reserves are in Africa. The mining industry includes both large- and small-scale operations. Artisanal mining refers to mining with minimal technology and generally without formal organization, largely involving women, the vulnerable and the poorest and most vulnerable populations, and often in conflict zones in Africa. To get their final mineral of interest, individual artisanal miners perform a range of mining activities such as, digging or excavating, washing, panning and processing the minerals, as well as supporting the labour of others through the provision of goods and services intrinsic to the mining industry.

Artisanal and small-scale mining (ASM) has experienced explosive growth in recent years due to the rising value of mineral prices and the increasing difficulty of earning a living from agriculture and other rural activities. It is estimated that over 240 million Africans could be directly and indirectly involved in the Artisanal and small-scale mining operations today, and this number is projected to grow to 720 million by 2030. This presupposes that the ASM sector requires and demands appropriate strategies and policy attention more now than ever.

Artisanal mining on its own is a very important source of livelihood for many people in low-income countries. In Africa it is the dominant indigenous employer, but the lack of government control and regulation over the artisanal mining sector and the prominence of informal trade networks translates into severe social, political, and economic consequences. The current lack of state control and regulation over the ASM sector throughout Africa allows minerals to be illegally traded with relative ease, and governments lose much needed revenue that could be directed towards social and economic development. In conflict zones, artisanal miners are in danger not simply because they operate amid conflict, but also because of the presence and intent of armed groups wanting to use the minerals as a source of financing for the conflict by trading through informal networks.



Due to their roles in prolonging or renewing conflicts by funding terrorist and criminal networks, conflict resources are a domestic and international security threat. According to a UN panel of Experts on the subject, "Without the wealth generated by the illegal exploitation of natural resources, arms cannot be bought, hence the conflict, which almost always involves grave human rights abuses and large-scale population displacement, cannot be perpetuated"

On the other hand, Africa's strong economic growth, infrastructure boom, and rapid urbanization are driving the demand for construction materials, dimension stones, industrial minerals, and semi-precious stones. Yet, historically, little attention has been given to the exploitation of low value or development minerals and the millions of ASM workers involved in their extraction. As a result, many low-value mineral policies are poorly designed or implemented, while miners lack access to the rights, financial services, market information, and technology they need. Further, most jurisdictions do not have specific legal regimes for development minerals and as a result, pollution and land degradation resulting from small scale mining have also not been addressed.

Trade unions in Africa are calling for artisanal and small-scale mining (ASM) to be formalized as a way of transforming the sector. Many countries are already implementing measures to empower ASM miners. Nonetheless, the overarching question is "How do we ensure continent-wide best practice in this direction"?

The Africa Mining Vision (AMV), for example, was formally endorsed in 2009 by the African Union (AU) Heads of State and Government to promote equitable, broad-based development through the prudent utilization of the continent's natural wealth. Fortunately, the AMV recognizes the contribution of artisanal and small-scale mining (ASM) to local economic development, and it also promotes women's rights and gender justice. However, eleven years after its adoption by AU Heads of State and Governments, implementation has been slow and there is an extremely low level of awareness of the framework among key stakeholders in the mineral sector. Africa's leaders, citizens and the private sector must act now to ensure that the goals of the AMV are realized, because it is a transformative policy that can drive sustainable development on the continent. The AMV also has the propensity to provide value in the ASM supply chain in the long run.

CONTEXT

ASM as a perception, is generally pursued as a route out of poverty or as an activity to complement insufficient income, especially in communities where alternative employment is hard to come by. ASM miners face very similar challenges across the continent, but the industry is at the same time a very diverse one with cross border implications for the African continent. However, its main challenges vary from region to region, and often from site to site. While access to finance and access to explored demarcated mineralized zones are the major concerns to the ASM operators, governments and regulatory agencies on the other hand have the inability to formalize them as their primary concern and challenge.

The good news is, globally ASM is an important and significant source of minerals and metals. It accounts for about 30 percent of the global gold supply, 80 percent of the global sapphire supply and 20 percent of the global diamond supply. ASM is also a major producer of minerals indispensable for manufacturing popular electronic products, such as laptops and phones. For example, 26 per cent of global tantalum production and 25 percent of tin comes from ASM. Consequently, corporate institutions are recognizing the important role ASM in general plays especially in the critical mineral supply chain. Glencore and Tesla for example, have added their support to the Fair Cobalt Alliance to improve artisanal and small-scale mining operations in the Democratic Republic of Congo.



Additionally, millions of ASMs in the development minerals subsector are contributing immensely to the social and economic structural development of African economies. According to Prof Daniel Franks "The total number of gold that has been mined and produced by humans in all of human history would fit into just 3 Olympic size swimming pools. When you contrast that with sand aggregate that is produced annually, this would not fit in 10 million Olympic size swimming pools. In total, metals make up just 2.8% of global commodity production. Compare this to the construction industrial materials that make up almost 84% of global commodity production - it is a huge discrepancy there" [Daniel Franks speaking at the MADi Inaugural Conference].

Despite the importance of artisanal and small-scale mining in the development of Africa, the ASM sub-sector both in high value as well as in development minerals faces several challenges which prevent it from reaching its full developmental potential. These include: inadequate policy and regulatory frameworks; the limited technical capacity of miners; lack of access to finance and appropriate technologies; and, regrettably, widespread employment of under-age child workers, incidences of trade in

conflict minerals as well as pollution and land degradation that is detrimental to environment and a huge contributor to climate change issues. These challenges generally lock small-scale miners into a cycle of subsistence operations with significant negative consequences for the environment and for human life.



A number of studies and empirical evidence have shown that there is a dire need to create a mineral resource sector that harnesses the potential of a viable and sustainable artisanal and small-scale mining that contributes to inclusive growth and development and sustainable socio-economic development.

In this regards, there is work in progress in developing frameworks and strategies to formalize, regularize and mainstream ASM, across the board, into broad stream socio- economic activities specifically developing policies, laws, regulations, standards and codes to promote a viable and sustainable ASM sector; putting in place programmes to upgrade knowledge, skills and technologies in the ASM sector; including but not limited to: promoting local service providers in the sub-sector; models for partnership with government and large-scale mines to facilitate access to technology, skills, knowledge and markets; financing and marketing programmes appropriate to the ASM subsector and improved health, safety, environment and gender in the ASM. However, these need to be domesticated and implemented.



OBJECTIVES OF THE 2ND ASM AND CONFLICT MINERALS E-CONFERENCE

The objectives of this one-day conference are to:

1. Explore and proffer innovative solutions that will engender superior governance and management of the sector while integrating ASM into Regional and Global minerals value and

supply chain including Formalization Strategies that would make the ASM practice a profession, etc.

2. Enumerate and appreciate the potential of the ASM subsector to contribute to social and economic structural transformation of Africa as envisioned by both Agenda 2063 and Global Agenda 2030 (SDGs).
3. Expedite the contribution and the domestication of Sub-Regional and Continental policy frameworks such as AMV with regards to the ASM subsector and situate the role of women in the ASM space in Africa.

In doing this the E-Conference will answer these preliminary questions. What strategic policies, laws and regulations do we need? What steps should African countries take collectively to transform the ASM operations as a sustainable development vehicle?

EXPECTED OUTCOMES

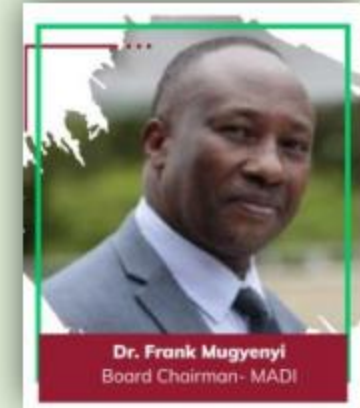
The conference will come up with key recommendations on the following:

1. **TOWARDS SUSTAINABLE ASM** - If projections on direct and indirect ASM involvement and dominance by 2030 are anything to go by, then there must be conscious efforts towards a sustainable ASM subsector. What Do We Need to Get There in terms of Policy, Legal and Regulatory Frameworks for the ASM Sector?
2. **FORMALIZATION AND ENGINEERING FINANCING MECHANISMS FOR THE CONTEMPORARY ASM OPERATOR**
 - What are the common barriers to formalization of the ASM sector?
 - What alternative financing instruments exist for the ASM operator?
 - **ENVIRONMENT, HEALTH AND SAFETY** - Artisanal and small-scale mining is also the source of the largest releases of mercury, estimated at 1,400 tonnes per year in 2011 according to the Minamata Convention: how do we curb this?
 - **ADDRESSING THE CONFLICT MINERALS ISSUES AND ALTERNATIVE LIVELIHOODS FOR SMALL-SCALE MINING ESPECIALLY IN CONFLICT ZONES** - How attainable is it?
5. **PROFESSIONALIZING THE ASM PRACTICE** - The Role of Governments and sector regulators in transforming the ASM operation into a professional one with continent wide guidelines, e.g. exploration protocols for the ASM Operator.

PARTICIPANTS

- Policy makers and practitioners
- Academicians
- Private sector
- Civil Society
- The ASM and SSM Operators
- All stakeholders of the Minerals resource sector

SPEAKERS



FOR MORE INFORMATION

Please visit our website at: www.ma-di.org/ To register, please visit: <https://ma-di.org/e-conference-registration/>

For details about the E-Conference, please contact: Ms Irene Ngabirano on: irenengabirano@ma-di.org and/or Mr. Raymond Kudzawu-D'Pherdd on raymondkd@ma-di.org and/or Vanessa Kisakye on vanessakisakye@ma-di.org

MADI SPEAKING ENGAGEMENTS

EXCERPTS FROM THE KEYNOTE SPEECH AT THE CITIZENS CONVENTION ON MINING UNDER THE THEME “SUSTAINABLE DEVELOPMENT OF MINERAL WEALTH IN EAST AFRICA” By Frank Dixon Mugenyi, Board Chairman, MADI

Allow me to first introduce you to Minerals Africa Development Institution (MADI) which is a new kid on the block and whose mandate is clearly in line with the theme of this Convention. The Minerals Africa Development Institution (MADI) Limited is an African led organization (a **social enterprise**) that has been established with an aim of supporting African countries in sustainable mineral resources development.

The organizers of this convention did choose the theme of this convention very carefully and it is upon which I will address myself in this submission. Sustainable Development of Mineral Wealth in East Africa has three connotations: **Sustainable Development – Mineral Wealth – and East Africa**

First is the conception of **Sustainable Development** – which is the idea that human societies must live and meet their needs without compromising the ability of future generations to meet their own needs. Specifically, sustainable development is a way of organizing society so that it can exist in the long term. This means taking into account both the present imperatives and those of the future, such as the preservation of the environment and natural resources or social and economic equity.

The “official” definition of *sustainable development* was developed for the first time in the *Brundtland Report* of the 1987 World Commission on Environment and Development: under the theme ‘*Our Common Future*’. The report says that “**Meeting essential needs requires not only a new era of economic growth for nations in which the majority are poor, but an assurance that those poor get their fair share of the resources required to sustain that growth**”. The Commission was chaired by Her Excellency, Gro Harlem Brundtland, three Times Prime Minister of Norway and former Director General of WTO and under the leadership of the then Executive Director of the UN Environment Programme (UNEP), the late Mostafa Tolba (RIP) – A great African leader.

In this regard, we all have the obligation or may I say that we are all obligated to ensure that in pursuit of meeting our essential needs we take cognizant of the fact that there is a future generation that will also need to meet their essential needs.

The second is the notion of **Mineral Wealth**: the abundance of mineral resources. We all know that Africa is blessed with a wealth of natural resources. Literature shows that Africa is home to around 30% of the world's **known mineral reserves**. These include cobalt, uranium, diamonds platinum group metals and gold, as well as significant oil and gas reserves among others. Africa has more minerals that are not yet explored including rare earth mineral but also the so called ‘neglected’ minerals that create even more employment – the low value or Development Minerals. *Development Minerals are those minerals that can be value added and consumed in Africa. Development Minerals* are used in industries such as construction, manufacturing, infrastructure

and rural **development**. Crucially, they are mined, processed, manufactured and used domestically - domestic can be a country or a region

However, despite being so richly endowed, and no matter how high prices go up on the world market for the high value minerals, Africa has drawn little benefit from this mineral wealth and remains one of the poorest continents on the globe, with almost fifty per cent of the population living in abject social and economic poverty- the **paradox of a rich yet poor continent**. Africa is richly endowed with resources on land in water including the continental shelf and international waters, that has yet to be explored and exploited. – **the deep sea or seabed resources**.

Combining the first and second notions, how can we manage our mineral wealth to meet our essential needs for today's generation without compromising the needs for the future generation? In other words, how can we **sustainably manage and exploit our mineral wealth**?

The third notion is the **East Africa** – signifying the original Africa that had no borders but also the integration agenda that is now being pursued by African Leaders trying to reverse the outcomes of the Otto Von Bismarck's six-months long Berlin Conference that was held in 1864-65. This is very important because **Minerals Do Not have Borders** in the first place. No geological map of Africa shows borders. Geologic maps display the arrangement of geologic features of a particular area such as types of rocks, faults, minerals, and groundwater. So in putting together strategies that would lead to **sustainable development of mineral wealth**, it is imperative to *mentally* remove borders, politically, socially, environmentally, economically, culturally name it.

I will spend a little bit of time on this. this is because a lot of efforts, initiatives, visions and strategies have been put in place at sub-regional, continental and global levels all aimed at African development since the establishment of the Organization of the African Unity in 1963 that became the African Union in 2000. We have had at the United Nations Level initiatives such as Industrial Development Decade for Africa (IDDA1 1980 – 1990) and (IDDA 2 1990 – 2000) then MDGs (2000 – 2015) now we have SDGs (2015 – 2030). We even have an African Industrialization

day. On every 20th day of November Africa celebrates an African Industrialization

Day that was proclaimed by the UN General Assembly in 1989 within the framework of the Second Industrial Development Decade for Africa under resolution (A/RES/44/237)

However, I would like to concentrate on Africa's own struggles for self-sustaining and development. Because every Global Framework has had an African counterpart – Lagos Plan of Action with IDDA 1; Abuja Treaty with (IDDA 2); Constitutive Act establishing the AU – MDGs, and now Agenda 2063 with SDGs. In fact, the SDGs were informed by the Common African Position (CAP) on post 2015 Development Agenda that was adopted by AU Heads of State and Government in 2014. So suffice to say that we cannot blame the rest of the world, the onus has been on us.

Let me start with the Lagos Plan of Action of 1980 that led to IDDA 1. The **Lagos Plan of Action** 1980, (officially the **Lagos Plan of Action** for the Economic Development of Africa, 1980–2000) was a twenty-year Organisation of African Unity-backed **plan** to increase Africa's self-sufficiency. The **plan** aimed to minimize Africa's links with Western countries by maximizing benefits from Africa's own resources.

The opening paragraph of the Preamble of LPoA – ***“The effect of unfulfilled promises of global development strategies has been more sharply felt in Africa than in the other continents of the world. Indeed, rather than result in an improvement in the economic situation of the continent, successive strategies have made it stagnate and become more susceptible than other regions to the economic and social crises suffered by the industrialised countries. Thus, Africa is unable to point to any significant growth rate, or satisfactory index of general well-being, in the past 20 years. Faced with this situation, and determined to undertake measures for the basic restructuring of the economic base of our continent, we resolved to adopt a far-reaching regional approach based primarily on collective self-reliance”.***

You will agree with me that this same paragraph that was put together in 1980 (40 years ago) is still valid today, the only deference is that we replace **past 20 years** with now **past 60 years**. Africa has been in the business of talking only with no action while it has been de-industrializing. It is the time to walk the talk. Allow me to elaborate.

The LPoA called for co-operation of African Member States in the field of natural resource control, exploration, extraction and use for the development of our economies for the benefit of our peoples and to set up the appropriate institutions to achieve these purposes; - this has not happened.

Under the LPoA, minerals are considered as part of industrialization. **Quote** 'The industrialisation of Africa in general, and of each individual Member State in particular, constitutes a fundamental option in the total range of activities aimed at freeing Africa from underdevelopment and economic dependence. ***The integrated economic and social development of Africa demands the creation, in each Member State, of an industrial base designed to meet the interests of that country and strengthened by complementary activities at the sub-regional and regional levels.*** Industrialisation of this kind will contribute, inter alia, to:

- (a) the satisfaction of basic needs of the population;
- (b) the exploitation of local natural resources;
- (c) the creation of jobs;

- (d) the establishment of a base for developing other economic sectors;
- (e) the creation of the basis for assimilating and promoting technological progress; and
- (f) the modernisation of society.

LPoA called for studies to be conducted for the establishment of basic industries which can be developed in the short, medium and long term on a national and sub-regional basis or regional co-operation in the following sector:

- (i) food and agro-industries;
- (ii) building industries;
- (iii) metallurgical industries;
- (iv) mechanical industries;
- (v) electrical and electronic industries;
- (vi) chemical industries;
- (vii) forest industries;
- (viii) energy industry.

Are all value chains originating from minerals resources? Our forefathers were thinking about value addition then not just mining and exporting raw materials.

In order to achieve the above, the LPoA called on member states for the strengthening of the capabilities of the **national geological surveys** and **mining departments**. In promoting the new methods and techniques of research, the national capabilities have to be complemented by the multi-national African centres for development of mineral resources. **This also has never been achieved.**

The Abuja Treaty that established the African Economic Community was adopted in 1991 and ratified by all then OAU Member States echoed the same call of co-operation of member states in mineral resources development for industrialization and in the same industries and at the same time recognized the Regional Economic Communities as the building blocks for the attainment of the African Economic Community.

The implementation of the decisions of our forefathers has been slow indeed but there are milestones. Based on the Road Map for implementing the Abuja Treaty, the AU Heads of State and Government adopted the Constitutive Act establishing the Africa Union in 2000, the Africa Mining Vision (AMV) and Accelerated Industrial Development of Africa (AIDA) in 2009, Programme for Infrastructure Development in Africa (PIDA), the Boosting of Intra-African Trade in 2012 and now African Continental Free Trade Area (AfCFTA) that was negotiated and completed in record time from 2015 – 2017, launched for signature and ratification in 2018. Agreement came into force in May 2019 and was launched in July 2019 and ready to commence trading come 1st January 2021 - signifying the greatest African Political Commitment and Political Will of all times.

One can say that there has been step up in the implementation of the Continental Integration initiatives in the last two decades. This has resulted in creating yet more frameworks and strategies that end up gathering dust in shelves. Notwithstanding efforts at Continental and sub-regional level by our leaders, the domestication of these at national and sub-regional levels is still lacking.

So a fundamental question is that if all such great initiatives and frameworks have been put in place by our leaders, why is Africa still at the Crossroads? Why are we still in the paradox of plenty of mineral

wealth but with the majority of our people still entrenched in abject poverty? Why has Africa been de-industrializing?

The challenge has been in having coherent policies, backed up by prudent legal regimes and regulatory frameworks at national level and harmonized at sub-regional and continental level. In other words, the national and sub-regional policies needed to be aligned to the Continental; and Global initiatives and frameworks right from LPoA.

As Africa wakes up, thanks to Covid19 pandemic, emphasis is being thrown at adding value to our resources in Africa in order to spur inclusive growth and sustainable development. I have already shown you that the issue of value addition to our resources isn't new, this was the basis of Lagos Plan of Action and actually before this the post-colonial Import Substitution Policies that most African Countries put in place.

Africa **MUST ADD VALUE** to her abundant resources both **human and natural**. We cannot add value to natural resources if we do not have value addition to our human resources through skills revolution in science and technology, research and development, innovation. This is an era of Artificial Intelligence (AI) the so-called Industry 4.0 (fourth Industrial Revolution). Africa has to catch up with this if we need to shift the paradigm and rewrite our narrative. We are struggling to move from factor driven economies to technological and eventually to innovation and knowledge-based continent.

The linkages of minerals resources to other sectors is unmatched. In fact, nothing we use does not originate from Mineral Resources. Agriculture needs manganese, potassium and phosphates, tooth paste, the clothes we wear just to mention but a few. So Africa must have to re-think on how to sustainably manage the mineral wealth in order to maximize benefits from these resources and only integration at sub-regional and continental level has the answer.

Most of the eight sub-regional groupings (The Regional Economic Communities RECs) which are the building blocks of the African Union were all created for economic integration first and they all are Free Trade Areas which are culminating into the African Continental Free Trade Area (AfCFTA)

The AfCFTA provides an opportunity for the development of Regional Value Chains in all sectors including the Minerals Value Chains. However, to achieve the AfCFTA, we have to start at sub-regional level. Member States of East African Community who have ratified the AfCFTA have to trade amongst themselves first. They must co-operate in putting together Regional Value Chains, Industrial Parks, Processing Hubs and Economic Zones for adding value to our resources. As per Lagos Plan of Action and Abuja Treaty we need Regional Value Chains in:

- (i) Food and agro-industries – that require Minerals such as phosphates, manganese etc. including Iron Ore for Steel to manufacture tractors and other mechanized agro-technology including the hand-held hoe
- (ii) Building industries – development minerals, sand, steel bars, aggregate stones, cement, lime etc.;
- (iii) Metallurgical industries - the extraction, refining, alloying and fabrication of metals from ores
- (iv) Mechanical industries - electrical and electronic industries from copper and other ores especially the 3Ts (Tin-Tungsten-Tantalum)

(v) Chemical and petro-chemical industries that require oil and gas

(vi) Energy industry that require coal and renewable energy minerals for sustainable development.

You can see that I have not yet touched on Gold, Diamond now joined by the minerals of the future - the 3Ts that have chronically been the source of conflicts on the continent giving birth to the so-called "**Conflict Minerals**" Classification. **A classification that is only for African Minerals**. Under OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from the so-called **Conflict-Affected and High-Risk Areas (CAHRS)**, all countries covered under CAHRS are found in Africa. These include the Democratic Republic of the Congo (DRC) and its nine adjoining countries as outlined in Section 1502 of the Dodd Frank Act, namely Angola, Burundi, Central African Republic, Republic of the Congo, Rwanda, South Sudan, Tanzania, Uganda, and Zambia. As you can see this is just an area covering 10 countries divided by the dotted lines drawn by the Berlin Conference. It is the most mineral rich region in the entire world that has been prone to conflicts right from the time of King Leopold.

According to Agenda 2063, which is a global strategy to **optimize** the use of Africa's resources for the benefits of all Africans, this year 2020 was marked as the year for **Silencing the Guns** on the Continent. One wonders whether this will be achieved. Most conflicts and the human rights abuse co-exist with the Artisanal and Small-Scale Mining (ASM) in these areas. Ironically, arms and weapons which fuel and exacerbate these conflicts and which are not actually manufactured in Africa are all made from these minerals- bullets from Copper, guns from Iron Ore, Tin and Zinc even timber and the 3Ts as we move in electronically controlled guided missiles. One would have to argue that the OECD Due Diligence for sourcing "Conflict Free" minerals should actually be targeted to those companies that produce these weapons and the majority of Arms Dealers and Traders because they are the major buyers of these minerals. The arms and weapons dealers, brokers and traders are the main culprits of the smuggling and money laundering in these CAHRS.

Way back in the year 2000, as an activist I led a Campaign Against Arms Trade in Africa (CAATA) in partnership with Eastern African Society at the University of London that I founded and chaired, and several NGOs such as People and Planet, Amnesty International, and the Global Campaign Against Arms Trade (CAAT). We managed to solicit 5,000 signatures for a Petition that was presented to No 10 Downing Street for the attention of Tony Blair, then the British PM. He wrote back saying the matter had been sent to the Foreign Office. The rest is history.

Nonetheless, Africa has to put her house in order and in order to end these conflicts and to maximize benefits from these resources; to manage and formalize the ASMs who are the African businessmen and businesswomen that are found in all minerals, high value and low value alike; who create more jobs while working in unsafe environments for both their own health and safety and for the natural habitat. These people and their ASMs need to be integrated into Regional and Global Value Chains.

We need to attract responsible and ethical second-generation investment. Second generation Investments are those that feed into value addition. The core business of the current investments on the continent is just exploration and/or mining. That is why they are in conflict with some of current policies on the continent that are meant to benefit the African Development but then lead to "Resource

Nationalism". The only way to overcome the perceived risk of Resource Nationalism is through Regional Integration and harmonization of coherent well-informed policies that are backed by prudent legal and regulatory frameworks and stop competing for **hazardous** investments.

This requires a collective effort of all of us operating in the development agenda; the private sector, Governmental and Non-Governmental actors, Civil Societies, academia, supporting institutions etc.

As I conclude Hon Minister, Distinguished delegates, ladies and gentlemen, let me propose recommendations based on the Objectives of this Convention:

The Overall objective of the Convention is to enable forward looking engagement and discussions on harnessing the potential for East Africa's mineral wealth.

Specifically, the convention shall:

- I. **Provide a platform for learning and information sharing amongst actors in the mineral sub-sector in East Africa.** This Platform should be guided by the key principles of the Africa Mining Vision (AMV) which calls for **A knowledge-driven African minerals sector that catalyses and contributes to the broad-based growth and development of minerals sector and is fully integrated into a single African market through:**
 - Down-stream linkages into mineral beneficiation and manufacturing;
 - Up-stream linkages into mining capital goods, consumables & services industries;
 - Side-stream linkages into infrastructure (power, logistics; communications, water) and skills & technology development (HRD and R&D);

- Mutually beneficial partnerships between the state, the private sector, civil society, local communities and other stakeholders; and o A comprehensive knowledge of its mineral endowment.
- A sector that harness the potential of artisanal and small-scale mining to stimulate local/national entrepreneurship, improve livelihoods and advance integrated rural social and economic development;

The East African Community Mining Act which was developed guided by the AMV should provide the framework for establishing this platform.

- II. **Create a platform for citizens to deliberate on the issues affecting the mining sub-sector and shape the sector's governance framework.** We need to think out of the box and move away from the status quo of doing things. As the saying goes that the **definition of insanity is doing the same thing over and over** again and **expecting different results**. The African Union and African Minerals Development Centre (AMDC) and UNECA developed three AMV Instruments that were adopted by African Ministers responsible for Mineral Resources development. These are: the Geological and Mineral Information Systems Strategy (GMIS) to guide the geological survey exploration in Africa; the African Minerals Governance Framework -AMGF – an African Governance Framework that enforces transparency and accountability along the minerals value chain; and the AMV private Sector Compact to guide mutual trust, mutual accountability between the Governments and the Private Sector that lead to mutual benefits and shared value. Citizens can refer to these tools for their deliberations especially to promote accountability and transparency.

SIGNATURE OF MOU with the IST, SENEGAL

Mr. Frank Mugenyi, MADI Chairman of the Board and Ms. Lydia Tamale, MADI Company Secretary, signed the first MADI Memorandum of Understanding (MoU) with the Earth Sciences Institute (IST) of the Faculty of Sciences and Techniques of the CHEIKH ANTA DIOP UNIVERSITY OF DAKAR - SENEGAL. The MOU was subsequently signed by the IST.



MADI Chairman Mr. Frank Mugenyi and MADI Corporate Secretary Madam Lydia Tamale signing the first MADI MoU with the THE EARTH SCIENCES INSTITUTE (IST) OF THE FACULTY OF SCIENCES AND TECHNIQUES OF CHEIKH ANTA DIOP UNIVERSITY OF DAKAR (SENEGAL)

MADI is currently negotiating similar MoUs with:

- The Department of Geology of the University of Namibia
- The Makerere University Business School of Uganda
- The Uganda Investment Authority
- The School of Geosciences - University of Energy and Natural Resources, Ghana

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HOW TO HARNESS THE POTENTIAL OF THE MINING SECTOR IN AFRICA?

Author: Selina Zhuwarara

<https://www.miningreview.com/base-metals/how-to-harness-the-potential-of-the-mining-sector-in-africa/>



Feb 11, 2020

THE AFRICA DEVELOPMENT BANK RECENTLY UNVEILED THE FINANCIAL MODELLING FOR THE EXTRACTIVE INDUSTRIES FACILITY (FIMES) WHICH WILL SEE €1.2 MILLION BEING CHANNLED TO BUILDING CAPACITY IN MINERAL RICH COUNTRIES FROM 2020 TO 2022. The facility is set to assist target countries to realize greater returns from their resources.

Capacity and structural adjustment are pivotal to realizing the African Mining Vision objectives. The sectors potential is partly hindered by the poor state of regulatory, policy and institutional capacity and organization in key areas within the sector. In this light, the new facility from the **African Development Bank** which will be initially piloted in Guinea, Liberia, Niger, Mali, Madagascar, South Sudan, Sierra Leone and Zimbabwe is an important strategic effort in Africa's journey to realizing the optimal receipt of returns from mineral resources.

However, structural propriety is half the battle in this effort. A commitment to prudently and timeously address risks and inefficiencies within the sector is also pivotal to the cause.

Mining exists in a larger eco system that either supports or undermines the sector. The attitude of mineral rich governments towards addressing risks and inefficiencies that threaten the sector is as important as attracting investment or building capacity.

There are fundamental issues that need to improve, among them are the sectors' approach to corruption along the entire value chain, inefficient regulatory and administrative mechanisms and the disconnectedness of the sectors gains to the general populace. Following from the same, an improved state of ethical standards, efficiency and equity are key ingredients in the pursuit of the African mining vision.

A lot of value is lost through physical leakages of minerals and bribery along the mineral value chain. Diverting money or resources from a value adding step to an individual's pocket for self-gain results in diminished returns for the sector and consequently the country.

The fight against corruption and criminality within the sector needs to step up. Corruption remains one of the greatest risks in the mineral resources sector and needs to be addressed in all its forms along the value chain.

This requires sincere political will and corporate commitment to the reawakening of moral and ethical consciousness. The space and ability to manipulate processes and resources for individual gain should be confronted tirelessly and eliminated with the realization that allowing such opportunity works to diminish the ability of the sector to deliver its full potential and impact for the common good.

Whether it is a bribe for mining approvals, bribing mining inspectors to turn a blind eye to a violation, profiteering practices from service and consumables providers, a traditional leader accepting a bribe to endorse or fast track a project, a shareholder who endorses cutting corners, a security detail getting a fee for aiding illegal mining activities or an ordinary citizen who is clandestinely dealing in minerals; it is important to realize that the consequential effect of these actions independently and collectively is to diminish the value of returns and the impact that the sector can achieve.

A system that gives refuge to corruption or ignores it robs itself of achieving the entirety of what mining should be contributing to broad based development.

Likewise, citizens that partake in malpractices within the value chain or participate in the mineral black market must acknowledge that their actions feed into diminishing the greater expectation. Citizens cannot thereafter turn and accuse only government of mismanaging resources when they also partake, protect and fuel activities that divert value for individual gain.

Accountability is not merely a deliverable for governments and companies, it's a system deliverable. All parties, players and citizens encountered along the value chain must commit to acting with integrity. The failure to rise above selfishness and the lure of individual gain within the sector will result in the dream of inclusiveness and the broad-based distribution of wealth remaining elusive.

The administrative and regulatory efficiency of systems and institutions that support and direct activities within the sector also needs to improve. Administrative delays, unnecessary bureaucracy, regulatory inadequacy, poor oversight and enforcement and not addressing root issues are part of the reasons why the sector does not achieve its envisioned influence.

The cost of inefficiency is underestimated in the sector. Inefficiency undermines profitability, stifles progress, introduces corruption, provides the cover for maladministration, threatens sustainability and causes investor apathy.

There is a need to operate in real time, embracing proactiveness and discharging mandates consistently and timeously. The system governing the sector should have the ability to pre-empt, detect and resolve issues that hamper the sectors growth with competence and speed.

Southern Africa has grappled with the impact of the growing influence of artisanal mining, increased smuggling of minerals, energy deficits, extreme weather, vulnerability to the effects of climate change, poor infrastructure and poor regional integration in the mining sector.

However, pace at which the region has tackled these problems is slow and has negatively impacted the productivity and performance of the mining sector. Governments need to take the lead in providing viable and sustainable solutions to risks that threaten the industry.

Mining companies invest significant resources into alleviating the pressure of these challenges and commensurate speed and action is required from host governments through the initiation and implementation of strategic projects that address inefficiencies and infrastructure deficiencies.

While many countries have attempted to tweak policy and regulatory support to ease self-help measures, it is also important to compliment this effort with efficient public investment driven projects that stabilize key areas in the sector.

It is important to note that placing pressure on investors to embark on ancillary projects necessitated by alleviating increased risk will result in investors shunning, limiting, delaying and downsizing existing projects.

This is a devastating consequence for a continent that heavily relies on the sector as one of its high export earners.

At the same time developing countries and Africa in particular, must accept that the minerals market is changing rapidly and is becoming profoundly influenced by scientific and technological advancements.

There is significant investment in finding new solutions to augment the growing demand for minerals vis a vis managing the growing cost associated with mining.

The fourth industrial revolution which is characterized by rapid technological advancements have proven to be pushing every possible boundary that exists.

The results are now playing out in the minerals market, among these changes is the growth of the synthetic minerals market. De Beers extension into the retail of lab grown diamonds through its Lightbox collection was a significant acknowledgement of change and proof that there is a viable and sustainable market for synthetic diamonds alongside the traditional market.

Lately, the company has also been revising its rough diamond sales approach to sight holders which placed advantage in volume purchases. They are seeking to give their buyers more flexibility in how much they can purchase and when they can purchase.

This has been necessitated by the changing tides within the diamond industry and liquidity constraints being faced in the midstream players which encompasses primary, secondary buyers and sellers and cutting and polishing.

The strategic direction of players in the mining sector must be led and influenced by the long-term dynamics playing out in the industry. The diamond mining sector is making subtle changes in response to current developments and trends and these shifts are also playing out in other mineral groups.

Mineral rich countries need to timeously re-evaluate the appropriateness, sustainability and scope of their long-term mineral development strategies. This is a process that requires honest re-evaluation, measured planning and agile reaction.

In January 2020, a paper titled: Light Gold: A Colloidal Approach Using Latex Templates, was published in the Advanced Functional Materials Journal. The paper discussed the breakthrough in the lab production of light gold weighing up to ten times less than real gold.

This is made possible because the gold has properties of plastic, having been made by holding gold crystals with protein fibers and polymer latex. This modified gold can prove useful in jewellery and industrial applications which would benefit from its light weight.

These scientific breakthroughs should also be viewed in addition to other various efforts being employed to restructure the industry such as the drive to re-use and repurpose minerals to reduce wastefulness, sensitivity to sustainability and the promotion of circular economy principles.

While natural minerals can never be replaced and will always have competitive advantage, it is important to accept that the range and scope of alternatives and synthetics will increase with time.

This will consequently affect demand and supply dynamics. These developments are important for policy and decision makers in mineral rich countries. Especially countries which are experiencing continued strain on the profit margins of the sector due to increased risk and costs.

The trajectory of advancement makes it even more important for mineral rich countries to be able to take advantage of present-day conditions by efficiently running the sector.

The advantages that mineral rich governments hold today may not be advantages tomorrow because of the rapid pace of changes global policy and regulation and due to the efficacy of alternatives. This has been witnessed in the coal sector as the drive towards dropping fossil fuels continues to increase momentum.

Therefore, the administration and regulation of the sector must be structured and discharged with purposeful timeous precision and diligence in order to take advantage of current favourable market conditions.

It is also important to observe that while a lot of attention is currently being awarded to attracting investment and reviving the sector, due attention is not being given to how governments intend to restructure the distribution of the rewards derived from the sector.

A lot of pressure is being absorbed by mining entities from the growing boldness of artisanal mining, tension with employees and unions and the hostility of surrounding communities. This pressure has proven to intensify as economic decline continues in most mineral rich countries. Many ordinary citizens cannot relate to the rewards of the sector and there is a general feeling that mining companies and governments should be confronted and held to account for not bringing meaningful change.

The prevailing tension provides an opportunity for African governments to revisit how the profits and results of the sector can be presented and communicated to their constituents.

It is important to support and drive national infrastructure initiatives that are headlined by the profits derived of the sector. While such optics seem trivial, they hold the key to letting people confirm the power and potential of positive change that the sector holds and how it fulfils their direct interests.

It is important to award citizens some insight and participation in what happens to the tax and rent that government collects from the sector. Unlike all other sectors, the mining sector invokes significant interest and emotion because of its impacts. It demands an upfront price from communities and the environment throughout project life cycles.

This sensitivity should direct policy and decision makers to rethink its current strategy on communication, use and distribution of resources derived from the sector. A change in approach would immensely assist the image, sustainability and legacy of the sector.

The mining sector in Africa still has immense potential for further growth and development in its value chain. It also remains one of the most resilient sectors in weakening economies.

Notwithstanding this resilience, it is important address the reasons why the sector fails to fully deliver transformative development to African countries?

The rising environmental and social governance unrest in the sector reveals the growing urgency for every mineral rich country to redefine and restructure the sector for positive and inclusive development.

Among other solutions, this can be achieved by reinforcing ethical conduct, fostering efficiency and promoting measures that build on the equitable distribution of benefits and economic wealth.

Until such a time as when these values are genuinely embraced, the continent will always be so near yet so far from achieving the African Mining Vision.

