



**MADI**

Minerals Africa Development  
Institution

# MADI AFRICA

Times

Newsletter

August - 2022 - Issue



## //EDITOR'S NOTE



We are pleased to bring you yet another edition of the MADI Africa Times, our illustrious newsletter. In this issue, we include a special feature essay from our recently concluded MADI-CJLF Essay Competition as well as a report of our recent meeting with government officials in the mineral resource sector in Zambia.

Do not miss these and many more in this issue. Happy reading!

Do not forget to subscribe for our newsletter on our website <https://madi.africa> and follow us on our social media handles.

Charlotte Kwitonda - **Editor in Chief**



## EVENTS

Here's a look at some of our upcoming exciting events at Minerals Africa Development Institution (MADI):

### MADI WEBINAR



**MADI WEBINAR**  
PANEL DISCUSSION

**MADI**  
Minerals Africa Development Institution

**Topic:**  
The Impact of the Russia & Ukraine War on Africa's Minerals Resources Development - Opportunities & Challenges

**Date:** 26<sup>th</sup> September, 2022.  
**Time:** 2:30 pm - 4:30 pm (East African Time) GMT +3

**SPEAKERS**

 Dr. Frank Dixon Mugenyi Executive Chairman, MADI	 Prof. Nellie Mutemeri	 Dr. Victoria Nakule	 Mr. Chishimba G. Chitekwa
 Mr. Sam Okot	 Mr. Nerson Tjelos	 Mrs. Pauline S. Mundia	 Ms. Kabanda Leah Lopa
 Ms. Winfred Ngabilwa	 Mr. John Yohanes Mogot	 Beatrice Nyabira	 Mr. Jerry Ahadje (AIDB)

For more information, contact [info@madi.africa](mailto:info@madi.africa)

**Topic -**  
**The Impact of the Russia & Ukraine war on Africa's Minerals Resources Development - Opportunities & Challenges**

### MADI MEETING WITH ZAMBIA MINISTRY OF MINES



On 10th August 2022, MADI shared a collaborative presentation to the Ministry of Mines and Minerals

Development in Zambia. During our meeting, it was established that MADI and the Ministry share areas of common interest especially in promoting Zambia's Minerals potential and ensuring that the Country can maximize value on its mineral's resources. The purpose of the

meeting was to seek a possibility of partnership between MADI and the Ministry of Mines and Minerals development in Zambia. The following are some of the areas that the two institutions intend to collaborate on

**a) Investment and Market Linkages-** using the value chain approach and identify markets to stimulate formalized minerals production and value addition amongst Artisanal and Small-Scale Miners (ASM) and Small and Medium Enterprises (SMEs) operating in the minerals Sector.

**b) Capacity Building, mindset Change and Mentoring:** - Provide targeted capacity building in ASM in Zambia and SMEs to support entrepreneurship and value addition and business development,

**c) ASM Formalization and Professionalization:** - applying its vast experience, to support the ASM formalization and professionalization including the establishment cooperatives and mineral buying centres,

**d) Profiling and Mapping-** Provide profiling and mapping of all stakeholders along the minerals value chains and be able to track all activities throughout specialized technology – Mine Tract- to minimize illegal trade and under-reporting (tax evasion),



**e) Geological Mapping and Exploration:** - support the Governments efforts in geological mapping and exploration. Provide linkages with MADI International Partners. Support an integrated geological mapping systems to create a centralized geological database and allow local lead and development approach in the minerals sector,

**f) Industrial Development and Manufacturing:** -support efforts for resource-based industrialisation and promote mineral value addition and beneficiation through training and capacity building in value chain mapping, analysis and conducting studies to support government policies in value addition and beneficiation,

**g) Policy, Legal and Regulatory Frameworks:** - Support policy, legal and regulatory review and implementation through targeted joint seminars, forums and capacity building and training programmes tailored for public officers, legislators and private sector,

**h) Joint ventures-carryout joint programmes and projects in areas of mutual interest.**



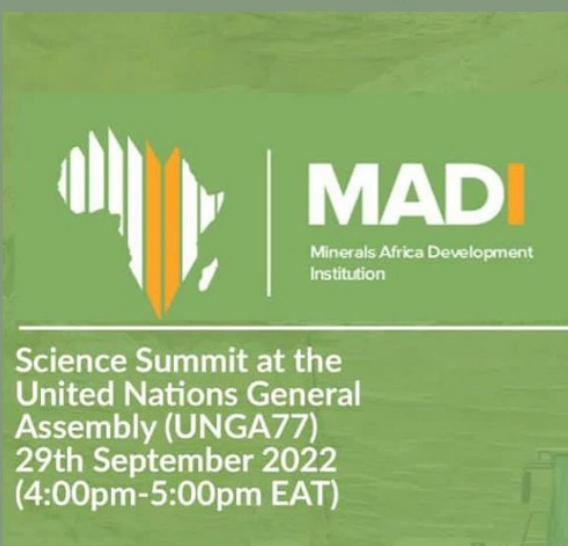
In attendance was MADI chairperson Frank Dixon Mugenyi Executive Chairman of MADI, MADI CEO Mrs.

Judith Karan and Mrs. Angela Mulenga, Ms Phyllis Nkazi and Mr. Joe Banda from MADI- Zambia Office. While the Ministry was represented by Mr. Musonda, the Director Planning and some other government officials.



**By Mrs. Angela Mulenga**

## **MADI AT THE UNITED NATIONS GENERAL ASSEMBLY (UNGA77)**



**Theme- African Leadership for African Development through Sustainable Mineral Resource Exploitation- Regulations, Innovation and Investment**

MADI is proud to announce that we shall be participating in this year's United Nations General Assembly in the Science Summit at UNGA77 which is slated for between the 13th - 30th September 2022.

For more details, stay tuned to our website and social media sites to be part of this insightful discussion.



# MADI WEBINAR

## PANEL DISCUSSION

### Topic -

## The Impact of the Russia & Ukraine war on Africa's Minerals Resources Development - Opportunities & Challenges

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These include large infrastructural deficits which constrain the movement of goods and services; weak local markets for mineral products which reflect the overall low level of Africa's industrialization; technological deficiencies; low levels of research and development; and the large skill gaps existing in the continent

The Russia–Ukraine conflict will likely impact on a number of aspects that affect Africa negatively and positively. While food security in Africa is being highlighted, there is less mention on the impact on minerals. Food production—agriculture optimal productivity requires minerals – especially fertilizers and fuel for transport and mechanized agriculture and food processing. Russia has been the major supplier of oil and gas to most western countries. Western Countries especially USA and European countries who are hugely dependent on Russian oil and gas, are caught-up in between.

Europe's urgent need to diversify away from reliance on Russian oil and gas could present new opportunities for some African export markets. Russia holds the world's fourth-largest supply of rare earth elements and is a major producer of many of the minerals most critical for clean energy technology—including copper, nickel, and platinum. Diversifying global supply chains away from Russia (and China) is already encouraging the United States and others to invest in African mining.

The U.S. International Development Finance Corporation (DFC) is considering an investment in Namibia's lithium mining industry, and President Biden's proposed FY 2023 budget includes \$1 billion for a Global Clean Energy Manufacturing initiative to build more resilient supply chains around the world.

Africa is also importing some mineral products other than food from Russia and Ukraine. South Africa imports from Russia was US\$529.78 million during 2020, according to the United Nations COMTRADE database on international trade. South Africa Imports from Russia - data, historical chart and statistics - was last updated on May of 2022

These are the imports of some of these items by South Africa from Russia.

Russia Value Year:

**Copper - \$169.27M 2020**

**Cereals - \$132.32M 2020**

**Mineral fuels, oils, distillation products - \$64.47M 2020**

**Fertilizers - \$57.98M 2020**

Russia has been slowly building relationships with Africa. Russia has pushed an agenda to sell nuclear technology part of its broader strategy with Africa. As of 2020, at least Africa Union member states had signed agreements to deploy nuclear power with support from Russia—and according to Ryan Collyer, acting CEO of Rosatom Central and Southern Africa the state-owned Russian nuclear company confirmed it was working with more than fifteen African markets in all, including on their next generation small modular reactors (SMRs). These AU member States include Ghana, Zambia, Kenya, South Africa, the Republic of Congo, Rwanda, Tanzania, Egypt, Algeria, Tunisia and Morocco.

On the other hand, the world requires energy transition minerals and Africa has plenty of them. As countries struggle with the rising costs of energy prices due to the war what is in or not in for Africa? The projections are that there will be a sustained commodity rice boon for a foreseeable future due to the transition. Africa



● **Could all these global trends and interest in Africa's resources provide opportunities for Africa?**

● **How is Africa positioned to take up the challenges/ What can Africa do to ensure the Agenda 2063 – The Africa We want -“A Global Strategy to Optimize use of Africa's Resources for the benefit of all Africans” is not lost?**

● **Does Africa have a Strategy to respond to these issues?**

The objective of the webinar is to establish how or if Africa is well prepared to respond to the global issues such as the COVID 19 pandemic and now the war on Ukraine. How can Africa respond to the changes in the demand and supply of products such as oil and gas and energy transition minerals considering Africa's own development agenda as defined by Agenda 2063 and the global Agenda 2030 (SDGs)?

Africa has been pushing for industrialization, but this has been more on paper than action. Strategies after strategies have been developed and endorsed by AU Assembly but they remain unimplemented, these include but not limited to the following; Lagos Plan of Action, Industrial Development Decade for Africa (IDDA One) and (IDDA Two) from 1980 – 2000. The African productive capacity Initiative (APCI (2004), the Accelerated Industrial Development for Africa (AIDA), the Africa Mining Vision (AMV), the Boosting of Intra African Trade (BIAT), and now (IDDA Three) and the African Continental Free Trade Area Agreement (AfCFA) Agreement. All have pushed for Africa's industrialisation. However, Africa remains the most unindustrialized continent in the world and has been de-industrializing despite her natural and human resources (with over 0% of her population under the age of 35 years) In other words, how can Africa position herself to take up the opportunities while responding to the global challenges such as Energy Transition?

The fact that Africa is under-developed is a great opportunity for Africa to leapfrog into the

new technologies without having to use the same polluting technologies that the rest of the world used to achieve their industrialisation. On the other hand, how can the International Agencies working in Africa shift their modus operandi to work in Africa for Africa's Development as envisioned by the Global Agenda 2030 (the SDGs)?

These and other questions will be answered during the Webinar.

## **EXPECTED OUTCOMES**

● **A clear understanding of the opportunities and challenges facing Africa as a result of the war**

● **What are the solutions – or recommendations for solutions?**

● **How can Africa position herself to respond to the global demand and supply of the minerals because of the war and energy transition?**



## **MAIN SPEAKER**

**Dr. Frank Dixon Mugenyi**  
Executive Chairman,  
Minerals Africa Development  
Institution

# MADI WEBINAR

## PANEL DISCUSSION

### SPEAKERS



**Dr. Frank Dixon Mugenyi**  
Executive Chairman, MADI



**Prof. Nellie Mutemeri**



**Dr. Victoria Nalule**



**Mr. Chishimba G. Chilekwa**



**Mr. Sam Okot**



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**Ms. Kabanda Leah Lopa**



**Ms. Winfred Ngabirwe**



**Mr. John Yohanes Mogot**



**Mr. Jerry Ahadjie (AfDB)**

**LIVE ON**



**Date: 26<sup>th</sup> September, 2022.**

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## INTERESTING READS:

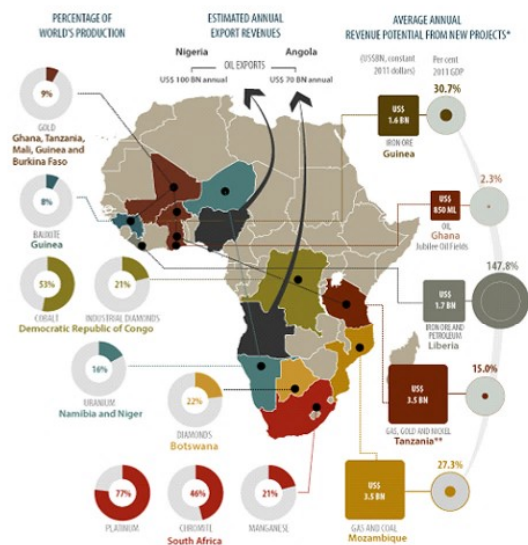
### MADI- PROF. CALESTOUS JUMA ESSAY COMPETITION 2021 WINNING ESSAY

From the recently concluded MADI-CJLF Essay Competition, we are proud to bring you our top essay by Ms. Adaji Ufedo-Ojo Elejo

### THEME- CHANGING MINDSETS: TRANSFORMING AFRICA'S MINERAL RESOURCE SECTOR FOR SUSTAINABLE DEVELOPMENT



MAPPING AFRICA'S MINERAL WEALTH: SELECTED COUNTRIES AND COMMODITIES



Sources:  
 Raw Materials Data, InteroilRMG, 2013  
 World Bank, Africa Pulse October 2012, Volume 6  
 IMF, Fiscal Regimes for Extractive Industries: Design and Implementation, 2012  
 U.S. Geological Survey, Mineral commodity summaries 2013  
 \*Estimates are intended to show order of magnitude. Revenue projections are highly sensitive to assumptions about price, phasing of production, and underlying production and capital costs  
 \*\*Data represents annual revenue at peak production

## INTRODUCTION



The African Bush Elephant weighs 6000kg and is considered the largest existing land animal on the face of the earth because it possesses features of greater capacity than any other species. They are kept in zoos and as a means of restriction, zookeepers strap one end of a thin metal chain to the elephant's leg and attach the other end to a wooden peg hammered to the ground. It is logically impossible that a mere chain would restrict the herculean animal capable of deracinating a big tree as easily as you could break a toothpick. In reality, the mighty mammal succumbs to its imprisonment without rebellion.

This is because from its days as a calf the same restraining methods were used to domesticate it and now that it is fully grown it is unaware of the power it possesses and thus remains limited not by tangible constraints but by cognitive impairment of a fixed mindset.

In the same vein, despite being the second-largest mineral industry in the world with 19% of the world's workable youthful population, Africa is unaware of the power and advantage it possesses in both mineral and human resources. Just like the elephant in the story above, we have been plagued by the nature of our mindset.



## MAIN BODY

FIXED MINDSET		GROWTH MINDSET
<ul style="list-style-type: none"> <li>SOMETHING YOU'RE BORN WITH</li> <li>FIXED</li> </ul>	SKILLS	<ul style="list-style-type: none"> <li>COME FROM HARD WORK.</li> <li>CAN ALWAYS IMPROVE</li> </ul>
<ul style="list-style-type: none"> <li>SOMETHING TO AVOID</li> <li>COULD REVEAL LACK OF SKILL</li> <li>TEND TO GIVE UP EASILY</li> </ul>	CHALLENGES	<ul style="list-style-type: none"> <li>SHOULD BE EMBRACED</li> <li>AN OPPORTUNITY TO GROW.</li> <li>MORE PERSISTANT</li> </ul>
<ul style="list-style-type: none"> <li>UNNECESSARY</li> <li>SOMETHING YOU DO WHEN YOU ARE NOT GOOD ENOUGH</li> </ul>	EFFORT	<ul style="list-style-type: none"> <li>ESSENTIAL</li> <li>A PATH TO MASTERY</li> </ul>
<ul style="list-style-type: none"> <li>GET DEFENSIVE</li> <li>TAKE IT PERSONAL</li> </ul>	FEEDBACK	<ul style="list-style-type: none"> <li>USEFUL</li> <li>SOMETHING TO LEARN FROM</li> <li>IDENTIFY AREAS TO IMPROVE</li> </ul>
<ul style="list-style-type: none"> <li>BLAME OTHERS</li> <li>GET DISCOURAGED</li> </ul>	SETBACKS	<ul style="list-style-type: none"> <li>USE AS A WAKE-UP CALL TO WORK HARDER NEXT TIME</li> </ul>

The mind, like a double-edged sword, is a powerful tool for excellence (growth mindset) and doubles as a tool for stagnancy (fixed mindset). A renewed mindset paves way for total transformation and freedom from self-imposed sentimental chains. Therefore, we cannot move forward without correcting the cognitive notion that Africa's mineral resource sector is narrowed to mining and trading raw materials.



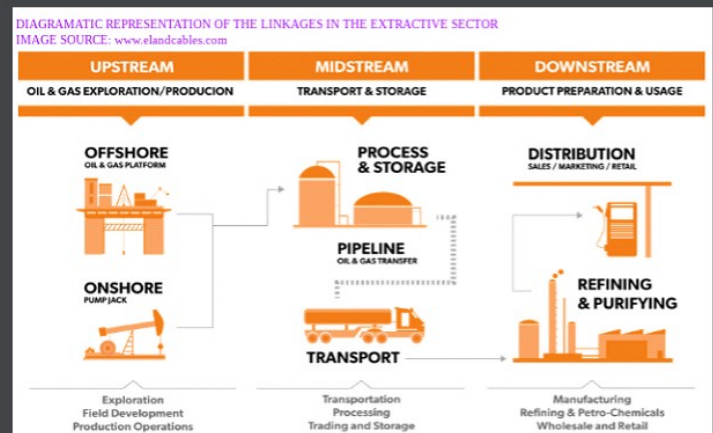
With Africa ranking first in the number of world reserves for some natural resources like cobalt, industrial diamond, and bauxite, conversion of this advantage into human and physical capital could result in the genesis of significant service sectors in natural resource extraction-related activities such as mining finance and environmental and social analysis. This sector provides a potential for limitless benefits like job creation, poverty alleviation, a source of investment, and sustainable progressive economic growth. These benefits can be harvested by value accrual to the

extractive sector through further local refining of raw materials before export and strengthening the linkages between the mineral resource sector and other sectors in the economy.

Subsequently, power to control the management and operations of this sector is wielded by the policymakers in government thereby highlighting the quality of good governance in furthering the development of this sector. The roles they play in this sector range from governing the modus operandi to inventing innovative ideas to enhance value addition. Difficulty in combining the right policies to lead to positive impact stand in the way of harvesting optimum benefits from this sector.

## WORKABLE SOLUTIONS

The key to the sustainable development of Africa's mineral resource sector lies in value addition to the mineral resource sector through leveraging on human and physical resources available, investment in necessary infrastructure, adoption of suitable standards, proper policy alignment, and a generalized legal regulatory standard across the continent.



Furthermore, Africa's mineral resource sector is bestowed with a plethora of potentials that go beyond increasing the economic profile but spans to improving the quality of life of the people through its linkages with other sectors. These linkages include the;

- Upstream linkages; concerned with mining capital goods that link-local suppliers to extractive companies and result in the establishment of local industries with quantifiable social and economic benefits.

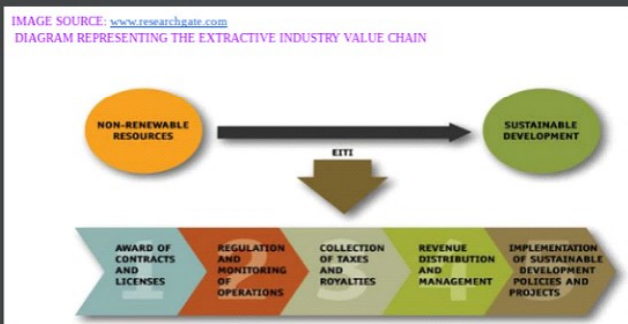


- Downstream Linkages; Involves refining goods locally for exportation. It is essential in the reduction of the unemployment rate as well as promoting industrialisation and economic diversification.



- Midstream Linkages; It encompasses strategic investment in building the required infrastructure to carry this process eg; roads/rails/ports, warehouses, uninterrupted electricity supply, etc.
- Fiscal and Consumption Linkages; They allow for optimum use of revenue generated for the enhancement of industry development and better living conditions for the staff (increased wages and pension schemes)
- Mutually Beneficial Relationships; This is between the state, private sector, local communities, civil society, the public, policymakers, and other stakeholders.

Therefore, a rising tide cannot raise people who don't have a boat. Likewise, policymakers cannot restructure a non-existent extractive sector. The extractive sector cannot make a quantifiable impact without alignment of its linkages with other sectors and provision of necessary infrastructure.



In addition, policymakers play a major role in overseeing Africa's mineral resources sector. The government can take a critical look into the principles of the value chain for extractive industries to promote these linkages and assure sustainable development. There is a need for sound legal frameworks and innovative tax regimes that prioritize and monitor operations. Explicit requirements for the application of mineral licensing by companies should be supervised and punishments should be meted to perpetrators by respective regulatory bodies.

## CONCLUSION

Albert Einstein once defined insanity as expecting different results after repeatedly performing the same action. The age-old policies regarding Africa's minerals sector need a thorough review to accommodate the necessity of value addition for sustainable development. To achieve this goal we need to unite as Africans in setting a continental standard. There should be uniformity in policy formation with a superior committee guiding and regulating the operations of the extractives sector in the continent according to favorable policy measures for the greater good. There is a need to strengthen the linkages between the extractive sector and other sectors for sustainable growth and economic development encapsulating a complete psyche transformation, inclusive governance, and a quality legal system for Africa's mineral resource sector. If all these are considered, Africa's mineral resource sector would be topping global GDP charts with a substantial reduction in the poverty index in no time.



# // MINERAL COMMODITY PRICES

Source: WORLD BANK COMMODITIES PRICE DATA

Commodity	Unit	June 2022 (Price Average)	July 2022 (Price Average)
Aluminium	\$/mt	2,563	2,408
Copper	\$/mt	9,024	7,545
Iron Ore	\$/mt	130.7	108.6
Lead	\$/mt	2,066	1,985
Nickel	\$/mt	25,659	21,482
Tin	\$/mt	31,559	25,396
Zinc	\$/mt	3,630	3,105
Gold	\$/toz	1,837	1,733
Platinum	\$/toz	957	869
Silver	\$/toz	21.6	19.1

Available at <http://www.worldbank.org/commodities>







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