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***Building a sustainable future for Africa's extractive industry:  
From vision to action***

**DRAFT ACTION PLAN FOR IMPLEMENTING THE AMV**

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## Summary

The African Mining Vision (AMV) was developed by Africa's Ministers responsible for Mineral Resources at their conference in Addis Ababa in October 2008, with the ultimate objective that Africa's mineral resources must be used to meet the Millennium Development Goals (MDGs), eradicate poverty, and achieve rapid and broad-based socio-economic. The AU Heads of State and government, at their assembly in Addis in February 2009, welcomed the AMV and requested the "AU Ministers in charge of Mineral Resources Development to develop a concrete action plan for its realisation". This action plan therefore responds to this directive.

The action plan comprises nine programme clusters of activities constructed around the key pillars of the vision. These are: mineral rents and management; geological and mining formation systems; building human and institutional capacities; artisanal and small scale mining; mineral sector governance; research and development; environmental and social issues; and linkages and diversification. The main sources of information have been the AMV itself, the framework report of the International Study Group (ISG) as well as other reports and similar frameworks. The Action Plan also contains a resource mobilisation plan as well as an institutional framework for implementing the activities.

## Abbreviations and acronyms

ACHPR	<i>African Charter for Human and People's Rights</i>
ACP	<i>African Caribbean Pacific</i>
ACPC	<i>Africa Climate Policy Centre</i>
AfDB	<i>African Development Bank</i>
ALSF	<i>Africa Legal Support Facility</i>
AMV	<i>Africa Mining Vision</i>
AP	<i>Action Plan</i>
ATPC	<i>Africa Trade Policy Centre</i>
APRM	<i>African Peer Review Mechanism</i>
ASM	<i>Artisanal and small-scale mining</i>
AU	<i>African Union</i>
AUC	<i>African Union Commission</i>
CASM	<i>Communities and Small-scale Mining</i>
CBO	<i>Community-Based Organization</i>
CSOs	<i>Civil Society Organisations</i>
CSR	<i>Corporate Social Responsibility</i>
DFI	<i>Development Finance Institution</i>
ECA	<i>Economic Commission for Africa</i>
ECOWAS	<i>Economic Community of West African States</i>
EI-TAF	<i>Extractive Industries Technical Advisory Facility</i>
EITI	<i>Extractive Industries Transparency Initiative</i>
EIA	<i>Environmental Impact Assessment</i>
EU	<i>European Union</i>
EXIM	<i>Export-Import</i>
FDI	<i>Foreign Direct Investment</i>
GSD	<i>Geological Survey Department</i>
HIA	<i>Health Impact Assessment</i>
HRD	<i>Human Resources Development</i>

ICP	<i>International Cooperating Partners</i>
IDEP	<i>Institute for Development and Economic Planning</i>
IFC	<i>International Finance Corporation</i>
ISG	<i>International Study Group (on Africa's mineral regimes)</i>
LSM	<i>Large-scale Miners</i>
LT	<i>Long Term</i>
MDGs	<i>Millennium Development Goals</i>
MT	<i>Medium Term</i>
NCPA	<i>NEPAD Planning and implementing Agency</i>
NEPAD	<i>New Partnership for Africa's Development</i>
NGO	<i>Non-Governmental Organisation</i>
NMP	<i>National Mineral Policy</i>
OAGS	<i>Organisation of African Geological surveys</i>
PVTS	<i>Private Sector</i>
R4I	<i>Resources for Infrastructure</i>
RECs	<i>Regional Economic Communities</i>
R&D	<i>Research and Development</i>
SDI	<i>Spatial Development Initiatives</i>
SESA	<i>Strategic Environmental and Social Assessments</i>
SIA	<i>Social Impact Assessments</i>
ST	<i>Short Term</i>
STI	<i>Science, Technology and Innovation</i>
SWF	<i>Sovereign Wealth Fund</i>
UNCTAD	<i>United Nations Conference on Trade and Development</i>
UNEP	<i>United Nations Environment Programme</i>
UNIDO	<i>United Nations Industrial Development Organization</i>
WB	<i>World Bank</i>

## **Introduction and background to the AMV**

The African Mining Vision (AMV) was adopted by Africa's Ministers responsible for Mineral Resources at their conference in Addis Ababa in October 2008. At this Conference, the ministers also adopted the Addis Ababa Declaration on the Development and Management of Africa's Mineral Resources, re-affirming their "commitment to prudent, transparent and efficient development and management of Africa's mineral resources to meet the MDGs, eradicate poverty and achieve rapid and broad-based sustainable socio-economic development".

The AU Heads of State and government, at their meeting held in Addis in February 2009, welcomed the AMV and requested the "AU Ministers in charge of Mineral Resources Development to develop a concrete action plan for its realisation", acting through the African Union Commission (AUC), and in partnership with the United Nations Economic Commission for Africa (UNECA), the African Development Bank (AfDB), regional economic communities (RECs) and other stakeholders. They further called on the international community and Africa's development partners to support the efforts of member states "towards enhancing the contributions of mineral resources to the achievement of the MDGs, the eradication poverty and the promotion of sustainable economic growth and development".

At their assembly in February 2009, the AU Heads of State and government further requested "member States to improve their mineral resources policies, establish appropriate institutional, legal and regulatory frameworks, and invest in human skills, research and development, and geological and geophysical data, that are critical for efficient and effective management of mineral resources". They also called upon "the Commission and NEPAD Secretariat, as well as regional economic communities to accelerate the establishment, across Africa, of major integrated corridors for the development and optimal exploitation of the continent's natural resources".

These directives from the AU Heads of State and Government have been taken into account in developing the action plan. The AMV has, attached to it, a "Tentative Framework for Action" setting out actions related to particular goals with proposed time frames and identifying respective responsibilities of national bodies, regional economic communities and continental bodies. Since its adoption, the International Study Group to review Africa's mineral regimes (ISG) established pursuant to a recommendation of the Big Table held in February 2007 in Addis Ababa, has produced its framework report. The African Caribbean Pacific (ACP) Secretariat has also formulated a Draft Framework of Action for the Development of the Mineral Resources Sector in ACP Countries which was released in June 2011. The ACP Framework takes into account the principles of the AMV. The ISG report, the AMV document itself, the Draft ACP Framework, as well as several other sources have been used to compile the Action Plan.

The Action Plan is organised as follows. A summary of the AMV document setting out the key areas of the Vision, follows this introduction. The pillars of the AMV are used to formulate nine programme clusters, each with a long term goal, desirable outcomes, programme, activities and preliminary indicators for tracking the outcomes. The Action Plan provides indications of how it could be resourced as well as the institutional arrangements which would facilitate its implementation.

### **The Africa Mining Vision**

The primary and long term goal of the AMV is the creation of circumstances that support a “transparent, equitable and optimal exploitation of [Africa’s] mineral resources to underpin broad-based sustainable growth and socio-economic development”. The main features of the mineral sector which should contribute to achieving this goal are outlined in a number of broad areas as follows:

- A knowledge-driven African mining sector that catalyses and contributes to the broad-based growth & development of, 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 and services industries;
  - Side-stream linkages into infrastructure (power, logistics; communications, water) and skills and technology development (HRD and R&D);
  - Mutually beneficial partnerships between the state, the private sector, civil society, local communities and other stakeholders; and
  - A comprehensive knowledge of its mineral endowment.
- A sustainable and well-governed mining sector that effectively garners and deploys resource rents and that is safe, healthy, gender and ethnically inclusive, environmentally friendly, socially responsible and appreciated by surrounding communities;
- A mining sector that has become a key component of a diversified, vibrant and globally competitive industrialising African economy;
- A mining sector that has helped establish a competitive African infrastructure platform, through the maximisation of its propulsive local and regional economic linkages;
- A mining sector that optimises and husbands Africa’s finite mineral resource endowments and that is diversified, incorporating both high value metals and lower value industrial minerals at both commercial and small-scale levels;
- A mining sector that harnesses the potential of artisanal and small-scale mining to stimulate local/national entrepreneurship, improve livelihoods and advance integrated rural social and economic development; and
- A mining sector that is a major player in vibrant and competitive national, continental and international capital and commodity markets.



Thus, the AMV seeks to use Africa's natural resources sector to transform the continent's social and economic development path in order to address its poverty and limited development. It seeks to set Africa on an industrialisation path, based on its natural capital, to enable the continent take its place in the global economy.

### **Key tenets of the Vision and programme clusters**

The AMV is founded on the following fundamental pillars:

- Optimizing knowledge and benefits of finite mineral resources at all levels of mining and for all minerals;
- Harnessing the potential of small scale mining to improve rural livelihoods and integration into the rural and national economy;
- Fostering sustainable development principles based on environmentally and socially responsible mining, which is safe and includes communities and all other stakeholders;
- Building human and institutional capacities towards a knowledge economy that supports innovation, research and development;
- Developing a diversified and globally competitive African mineral industry which contributes to broad economic and social growth through the creation of economic linkages;
- Fostering a transparent and accountable mineral sector in which resource rents are optimized and utilized to promote broad economic and social development; and
- Promoting good governance of the mineral sector in which communities and citizens participate in mineral assets and in which there is equity in the distribution of benefits

The above pillars have been used to develop the Action plan. Activities have been grouped into nine programme clusters based on the exigencies of the AMV as expressed by the above pillars . The suggested programme clusters are as follows:

Programme cluster 1 – mining revenues and mineral rents management

Programme cluster 2 – geological and mining information systems

Programme cluster 3 – building human and institutional capacities

Programme cluster 4 – artisanal and small scale mining

Programme cluster 5 – mineral sector governance

Programme cluster 6 – research and development

Programme cluster 7 – environmental and social issues

Programme cluster 8 – linkages and diversification

Programme cluster 9 – mobilising mining and infrastructure investment

For each programme cluster, the main goal, outcomes, activities and preliminary indicators for tracking the achievement of objectives and outcomes have all been defined. The time frames for implementation are indicated as short term (0-5 years), medium term (5-10 years) and long term (>10 years)

## **Programme cluster 1 – Mining Revenues and Mineral rents management**

### **Context**

A key challenge in the design of fiscal frameworks for the mining sector is the often conflicting objectives of mining companies and governments in resource-rich African countries. Mining companies argue for appropriate compensation for undertaking the commonly accepted high risks associated with mining projects. They expect a fair return through a transparent tax system, which allows early payback and maximises the net present value of their investment. In contrast, Governments wish to maximise the value of mining investment to the national economy. They consider minerals as part of national productive assets for generating revenues to fund social and economic infrastructure, as well as other national development priorities.

There is a widespread sense that Africa does not obtain commensurate compensation from the exploitation of its mineral resources. This sentiment has become particularly pronounced since the current mineral commodity boom, which has substantially lifted profits for mining companies. Partly this is due to the fact that the fiscal provisions for collecting mineral rent are not optimised. The provisions are characterised by cumbersome tax holidays and poorly designed royalties and additional profit taxes. Most mining projects in Africa have sought and obtained assurances that there would be no additions to the total tax package agreed to initially. Thus during the recent period of high prices, existing fiscal regimes have not earned African mining countries a fair share of the large additional profits.

Transfer pricing constitutes a problem for African mineral exporting countries due to its complexities. For example, transfer pricing of inputs is often not transparent and thus is hard to detect. In addition, equipment prices are not obvious and tax evasion may take place through the use of non-arms-length suppliers based in tax havens. The signing of double taxation treaties with host countries of mining companies may help check this, though probably not eliminate the practice altogether.

While revenue from mineral operations offers governments development finance, a persistent concern, however, is the inflow of revenue which tends to undermine the competitiveness of other economic sectors exposed to international competition— the so-called “the Dutch disease”. Thus financial inflows from mining need to be channelled into long-term physical and social capital and include systems that allocate part of the mineral revenue to communities near mining areas as well as local authorities.

An important element of a mineral regime that can contribute to optimizing the developmental impact of mining is setting a fair market value of resources—“price discovery”. Transparent and competitive concessioning of known mineral assets can help. Public tender will clearly have sub-optimal results for terrain with no known assets or areas of low prospectivity. Thus, this strategy requires that the state has full knowledge of its geological assets.

**Programme cluster goal – *To create a mining sector that generates adequate income and rents to eradicate poverty and finance African growth and development***

Action Plan

EXPECTED ACCOMPLISHMENT	ACTIVITIES	TIME FRAME	MONITORING INDICATORS	RESPONSIBLE BODIES AND MAIN ACTORS
Enhanced share of mineral revenue accruing to African mining countries	<p><b>At national level</b></p> <ul style="list-style-type: none"> <li>Negotiate or renegotiate contracts to optimize revenues and to ensure fiscal space and responsiveness to windfalls</li> <li>Review the current fiscal environment in African mining countries to develop guidelines for optimizing tax packages in a manner that does not discourage mining investment</li> <li>Develop systems to evaluate components of tax regimes for leakages and transfer pricing</li> <li>Review applicability and terms of double taxation agreements and BITs with host countries of mining companies</li> <li>Build capacity to auction mineral rights where applicable</li> <li>Build capacity and enhance skills of officials in negotiating fiscal issues and effectively monitoring compliance with taxation laws</li> </ul> <p><b>At sub regional and regional levels</b></p> <ul style="list-style-type: none"> <li>Develop mineral taxation guidelines for implementation at the REC levels</li> </ul> <p><b>At national level</b></p> <ul style="list-style-type: none"> <li>Explore strategies for investing windfall earnings and mineral rent into stabilization funds, and infrastructure funds and</li> </ul>	<p>ST</p> <p>ST</p> <p>ST</p> <p>ST</p> <p>MT</p> <p>MT</p> <p>ST</p> <p>ST</p>	<ul style="list-style-type: none"> <li>Level of improvement in fiscal revenue collected by African mining countries</li> <li>Increase in numbers of policy makers and other stakeholders attending capacity building workshops</li> <li>Degree of improvement in the design of fiscal terms</li> </ul> <p>Degree to which guidelines are used by member States</p> <p>Number of SWFs and infrastructure funds established by African mining countries</p> <p>Degree to which local authorities and communities benefit from mining projects</p>	<p>MS</p> <p>WB</p> <p>NGOs</p> <p>CSOs</p> <p>Bilateral</p> <p>AfDB</p> <p>ECA</p>

EXPECTED ACCOMPLISHMENT	ACTIVITIES	TIME FRAME	MONITORING INDICATORS	RESPONSIBLE BODIES AND MAIN ACTORS
	<ul style="list-style-type: none"> <li>• sovereign wealth funds(applyes to cluster 9 also)</li> <li>• Develop rent distribution systems for allocating part of mineral revenue to communities near mining areas and local authorities</li> <li>• Improve local communities' benefit from mineral resources through access to jobs, education, transport, infrastructure, health services, water and sanitation</li> </ul>	<p style="text-align: center;">ST</p> <p style="text-align: center;">ST</p>		

Bilateral: Government to Government technical assistance programmes

## **Programme cluster 2 – Geological and mining information systems**

### **Context**

The availability of basic geological information allows both the public and private sector to make informed decisions on mineral sector development. The more detailed and available the information is, the lower the risk on investment in exploration and mine development. Basic geological information is usually collected and stored by Government Geological Survey Departments, occasionally with the support of multilateral organizations. Geological data collected on a regular basis throughout Africa will significantly enhance the mineral prospectivity of the continent, which will attract additional green-fields exploration funds. Currently, there is limited availability and access to geological information in Africa. A large percentage of the continent is yet to be geologically mapped in a systematic manner and at an appropriate scale, which raises the (strong) possibility that Africa has a much larger mineral resource base than is currently known. This lack of new geological information in many mineral-rich African countries is due to inadequate capacity in most member States to carry out exploration activities and store these in digital geological information systems.

In most cases, the inadequacy of geological information has resulted in African countries being disadvantaged during negotiations with companies, even to the extent of compromising the longer-term sustainability of benefits from their mineral endowments. Thus understanding the extent of the available mineral resource base is a fundamental starting point for many African mineral development activities. A comprehensive geological knowledge will provide governments with better decision-making and ability to negotiate sustainable contracts with foreign investors. This will ensure that the development potential arising from resource rents will flow into, rather than out of, host economies.

Existing geological data (maps and resource inventories), although often partial, are the essential basis for assessing potential, informing investors and granting exploration permits. Updating and extending these data requires the formation of research teams, fieldwork and the use of modern exploration technologies. The production, maintenance, management and analysis of up-to-date data also require techniques and skills that need to be regularly updated.

**Programme cluster goal - *To develop a comprehensive knowledge of Africa's mineral endowment***

## Action Plan

EXPECTED ACCOMPLISHMENT	ACTIVITIES	TIME FRAME	MONITORING INDICATORS	RESPONSIBLE BODYS AND MAIN ACTORS
<p>Improved geological and mining information systems to underpin investment in exploration and mine development</p>	<p><b>At national level</b></p> <ul style="list-style-type: none"> <li>• Enhance the capacity and role of national geological institutions;</li> <li>• Improve resourcing of national geological survey institutions;</li> <li>• Increase regional mapping and exploration activities to upgrade mineral inventories and geoscientific information base</li> </ul> <p><b>At sub regional and regional levels</b></p> <ul style="list-style-type: none"> <li>• RECs to adopt and implement sub-regional mapping and mineral inventory programmes including through the use of modern remote sensing techniques;</li> <li>• RECs to scale-up efforts to standardize geological information management methods and approaches (e.g. stratigraphy, cadastre, legends, etc)</li> <li>• AUC to develop a continent-wide mapping and mineral inventory programme in coordination with the Organization of African Geological Surveys (OAGS) and mobilize the necessary resources to implement it.</li> <li>• Recognise and strengthen OAGS to make it relevant to the needs of the continent</li> </ul>	<p>MT ST MT</p> <p>MT</p> <p>MT</p>	<ul style="list-style-type: none"> <li>• Levels of improvement in geological knowledge and mineral potential</li> <li>• Existence of functioning geo-scientific databases and cadastres</li> <li>• Number of joint exploration programmes across member States</li> <li>• Uniform geo-scientific data formats across member States</li> </ul>	<p>MS EU</p> <p>Bilateral RECs AUC</p>

### **Programme cluster 3 – Building human and institutional capacities**

#### **Context**

Institutions that support mineral development in Africa are generally weak. The weakness extends to education and training institutions, characterised by geographical paucity in the continent, and where they are available, which are generally poorly funded. This results in significant shortages in mineral related skilled manpower both in qualitative and quantitative terms. Partly, the situation is exacerbated by the fact that industry does not significantly participate in the delivery of education and training as happens in mature mining countries, such as South Africa, Australia and Canada.

These weaknesses extend to government departments charged with the responsibility of negotiating mineral development agreements, and monitoring and regulating the exploitation of mineral resources. The departments are also poorly resourced, and this coupled with weakness in skill levels leads to weak policy direction, poor policy enforcement, poorly managed company operations and mineral contracts that do not deliver the full benefits of development potential from mineral resources.

The AMV ties broad economic and social development to the exploitation of mineral resources. The realisation of the AMV will require a significant upgrade in skill levels, in terms of variety, depth and quantities, to meet the broader development agenda it entails. Additionally, public officials charged with administering and managing mineral operations and collecting revenues will require a much broader skill base to discharge their responsibilities. Further, a number of stakeholder institutions that are important to a well functioning and development oriented mineral sector will also need significant skills upgrading. This, for example, includes providing capacity building courses to parliaments and NGOs to enable them discharge their roles in providing checks and balances to Government functions.

***Programme cluster goal - To create a mining sector that is knowledge driven and is the engine of an internationally competitive African industrial economy***



Action Plan

EXPECTED ACCOMPLISHMENT	ACTIVITIES	TIME FRAME	MONITORING INDICATORS	RESPONSIBLE BODYS AND MAIN ACTORS
<p>A competitive skill base that is knowledge based and drives an African industrial economy</p>	<p><b>At national level</b></p> <ul style="list-style-type: none"> <li>• Assess human resources needs for the mining sector</li> <li>• Resource and strengthen training and public institutions to attract, train, and retain competent staff, and to acquire necessary technologies and equipment to perform their functions</li> <li>• Strengthen industry's role in supporting academic training eg through provision of incentives</li> <li>• Diversify education and training funding sources to include private sector;</li> <li>• strengthen continuing professional development through short courses;</li> <li>• Align human resources development approaches to AMV policy direction</li> <li>• Build capacities of government officials and other stakeholders on aspects of the mineral value chain, such as minerals marketing, taxation, accounting, auditing and contract negotiations</li> <li>• Make available to all stakeholders and the general public all legal texts (mining laws, environmental laws, labour laws, company laws, tax laws, contracts etc) through a dedicated website</li> <li>• Coordinate and ensure policy coherence within and across public sectors</li> </ul>	<p>ST MT  ST ST ST LT MT  ST  ST</p>	<ul style="list-style-type: none"> <li>• Increased numbers of students graduating in mineral related qualifications</li> <li>• Levels of industry participation in academic programmes</li> <li>• Number of public officials and other stakeholders attending capacity building programmes</li> <li>• Increased dialogue between different public sector departments</li> <li>• Improved alignment of education and training programme to AMV</li> </ul>	<p>MS RECs AUC Bilateral ECA AfDB WB PVTS</p>

EXPECTED ACCOMPLISHMENT	ACTIVITIES	TIME FRAME	MONITORING INDICATORS	RESPONSIBLE BODYS AND MAIN ACTORS
	<p>At sub regional and regional levels</p> <ul style="list-style-type: none"> <li>• Compile database of existing education and training institutions</li> <li>• Establish a strong inter university collaborative programmes</li> <li>• Develop a uniform accreditation and competence framework at sub regional level;</li> <li>• Improve cross-country accessibility of learning centres.</li> </ul>	<p>ST MT MT MT</p>	<ul style="list-style-type: none"> <li>• Increased levels of inter university collaborative programmes at sub regional and regional levels</li> <li>• Increased number of students attending cross country training programmes</li> </ul>	

## **Programme cluster 4 - Artisanal and small scale mining**

### **Context**

Artisanal and small scale mining is widespread in Africa and exploits a very large number of minerals. These range from diamonds and a variety of other gemstones, to precious metals, such as gold and tantalite, to industrial minerals, including limestone for aggregate and agricultural purposes, clays for pottery and other uses and many other non-metallic minerals. Generally, small scale mining makes a positive contribution to African economies but, more importantly it sustains livelihoods, especially given the large numbers of people involved.

Yet this sector is beset with a number of challenges which prevent it reaching its full developmental potential. Many of these are well known and include inadequate policy and regulatory frameworks; the limited technical capacity of miners; inadequately explored mineral bearing areas; lack of access to finance and appropriate technologies; and regrettably, child labour issues. These challenges generally lock small scale miners in a cycle of subsistence operations with significant negative consequences on the environment and human life. Further, the ASM sector is also prone to trade in conflict minerals as many of the miners operate outside the law for various reasons.

The ASM sector can be transformed into an engine for sustainable development, particularly in rural areas, if these challenges are adequately addressed through a series of well targeted interventions. These should recognise the need for ASM policy to be embedded into a broad rural development strategy, taking into account the poverty cycle that limits the development of the ASM sector in Africa. ASM interventions ought to also target transforming operations into viable ones, wherever possible.

***Programme cluster goal - To create a mining sector that harnesses the potential of artisanal and small scale mining to advance integrated and sustainable rural socio-economic development***

Action Plan

EXPECTED ACCOMPLISHMENT	ACTIVITIES	TIME FRAME	MONITORING INDICATORS	RESPONSIBLE BODYS AND MAIN ACTORS
<p>A viable and sustainable artisanal and small scale mining sector that contributes to growth and development</p>	<p><b>At national level</b></p> <ul style="list-style-type: none"> <li>• Regularise and mainstream ASM into broad stream rural economic activities;</li> <li>• Develop policies to encourage technical assistance for artisanal miners to upgrade them to small and medium scale mining enterprises and promote local service providers in the sub-sector</li> <li>• Develop programmes to upgrade knowledge, skills and technology in the ASM sector;</li> <li>• Develop models for partnership with government and large-scale mines to facilitate access to technology, skills, knowledge and markets;</li> <li>• Develop a financing and marketing strategy appropriate to the needs of ASM</li> <li>• Determine geologically suitable areas for ASM</li> <li>• Develop methodologies or templates for distinguishing potentially viable ASM operations for targeted support</li> <li>• Develop and strengthen ASM associations.</li> <li>• Implement international guidelines banning the use of child labour</li> </ul> <p><b>At sub regional and regional levels</b></p> <ul style="list-style-type: none"> <li>• RECs to harmonize ASM policies,</li> </ul>	<p>MT</p> <p>ST</p> <p>ST</p> <p>ST</p> <p>ST</p> <p>MT</p> <p>ST</p> <p>MT</p> <p>ST</p>	<ul style="list-style-type: none"> <li>• Degree to which knowledge and skills of ASM operators improve</li> <li>• Level of improvement in the operations of ASM</li> <li>• Increase in number of ASM operators being mentored by LSM</li> <li>• Degree to which ASM integrates into broad economic activities.</li> <li>• Extent to which child labour is reduced and subsequently eliminated</li> </ul>	<p>MS</p> <p>RECs</p> <p>Bilateral</p> <p>WB</p> <p>ILO</p>

EXPECTED ACCOMPLISHMENT	ACTIVITIES	TIME FRAME	MONITORING INDICATORS	RESPONSIBLE BODYS AND MAIN ACTORS
	<ul style="list-style-type: none"> <li>• laws, regulations, standards and codes;</li> <li>• Coordinate and facilitate technology development and transfer;</li> <li>• Develop a regional tool kit for engagement between LSM and ASM</li> <li>• RECs to lead initiatives to formalize and upgrade skills, knowledge and practices in the artisanal and small-scale mining sector;</li> <li>• Develop and coordinate measures for building capacity of miners, including examination and certification of miners</li> <li>• AUC/NCPA to lead efforts to develop continental policies, laws, regulations, standards and codes to promote sustainable ASM;</li> <li>• Adopt measures to address illicit trade in minerals</li> </ul>	<p>MT</p> <p>MT</p> <p>ST</p> <p>ST</p>	<ul style="list-style-type: none"> <li>• Degree to which regional policy guidelines are adopted by member States</li> <li>• Degree to which regional tool kits are used by Member States</li> <li>• Number of people attending regionally organised capacity building workshops</li> <li>• Extent to which illegal trade in minerals is reduced</li> </ul>	

## **Programme cluster 5 – Mineral sector governance**

### **Context**

Governance refers to the legal and institutional environment in which various actors in the mineral sector interact. Lessons from Africa, and elsewhere, indicate that strong transparent and participatory governance processes, at all levels, can assist mineral-rich countries attain sustainable economic growth and socio-economic development. Public participation legitimizes a project, thus reducing the costs emanating from the social tensions that can result from an externally-imposed project

Generally, there has been a trend towards improved multi-stakeholder interactions with greater stakeholder engagement in policy making and decisions related to mineral development, as a whole. However, challenges remain. For a start, public participation processes are not entrenched. Governments for example, see policy making as their prerogative while between mining companies and communities; there is an asymmetry in power relations. This asymmetry is exacerbated by a general lack of capacity and material resources, especially for weak vulnerable groups. Often, there is also a mismatch between the expression of public participation rights in formal instruments and their implementation. Inadequate participatory approaches may ;lead to conflict by dissatisfied communities around mining projects.

The exploitation of minerals has been associated with the violation of human rights. This is one of the most prominent issues raised by mining-affected communities and civil society organizations working on mining issues. Respect for human rights by companies is an important part of their social licence to operate, but the scope of the obligations imposed on them by international human rights law is limited and contentious, even as it is widely recognized that with the growth of global power and reach of corporations, domestic regulation is inadequate to protect human rights from corporate infractions.

***Programme cluster goal -To create a sustainable and well governed mining sector that is inclusive and appreciated by all stakeholders including surrounding communities***

## Action Plan

EXPECTED ACCOMPLISHMENT	ACTIVITIES	TIME FRAME	MONITORING INDICATORS	RESPONSIBLE BODIES AND MAIN ACTORS
<p>A well-governed mining sector that is inclusive and appreciated by communities and other stakeholders</p>	<p><b>At national level</b></p> <ul style="list-style-type: none"> <li>• Strengthen transparency and access to information</li> <li>• Improve public participation and domesticate in national policies, laws and regulations relevant provisions on public participation of the Aarhus Convention and Equator Principles</li> <li>• Resource the legislature to provide effective oversight over mineral sector institutions and mining companies</li> <li>• Provide capacity building programmes to strengthen the capacity of local communities and CSOs to make informed decisions on mining projects</li> <li>• Establish multi-stakeholder oversight bodies to ensure broad participation in the decision making, monitoring and evaluation of mineral projects</li> </ul> <p><b>At sub regional and regional levels</b></p> <ul style="list-style-type: none"> <li>• Coordinate alignment of national and regional policies with AMV to improve public participation</li> </ul> <p><b>At national level</b></p>	<p>ST</p> <p>ST</p> <p>ST</p> <p>ST</p> <p>ST</p> <p>MT</p>	<ul style="list-style-type: none"> <li>• Degree of adherence to international transparency and conventions on participation</li> <li>• Degree to which communities and other stakeholders participate in policy making processes and mining projects</li> <li>• Number of people attending capacity building workshops</li> <li>• Degree to which regional policy guidelines on participation are adopted by member States</li> </ul>	<p>MS</p> <p>RECs</p> <p>NGOs</p> <p>CSOs</p> <p>ECA</p> <p>WB</p>
<p>Improved human rights in Africa's mineral sector</p>	<p><b>At national level</b></p>			

EXPECTED ACCOMPLISHMENT	ACTIVITIES	TIME FRAME	MONITORING INDICATORS	RESPONSIBLE BODIES AND MAIN ACTORS
	<ul style="list-style-type: none"> <li>• Empower HR institutions to monitor and enforce human rights standards in relation to mineral operations</li> <li>• Develop methodologies and tools for mainstreaming health and human rights issues into impact assessment procedures and policy planning frameworks</li> </ul> <p><b>At sub regional and regional levels</b></p> <ul style="list-style-type: none"> <li>• Establish common human right norms and procedures for the mining sector and embed these into the APRM and ACHPR,</li> </ul>		<ul style="list-style-type: none"> <li>• Degree to which HR institutions are independent</li> <li>• Levels to which tools and methodologies are applied</li> <li>• Extent of reduction in HR</li> </ul>	



## **Programme cluster 6 – Research and development**

### **Context**

With the exception of South Africa, the minerals sector in Africa generates little new knowledge in terms of mining-related products, processes technologies and services. Generally, indicators for the capacity for knowledge generation and innovation are availability of scientists and engineers, the quality of scientific research institutions, university-industry research collaboration, company spending on R&D, and government procurement of advanced technology products. These are all generally much lower in Africa than those found in other emerging economies. There are a number of reasons for this, and these include the weak funding, both from public and private sources, of technology institutions and research processes. This in turn leads to the weak science and technology capacity. R&D is a key pre-requisite for an industrialisation policy based on value addition to mineral products and the development of linkages and clusters in the sector.

The dearth of institutions engaged in R&D activities in Africa presents a critical technical challenge to the competitiveness of the African mineral sector. There is therefore need to deliberately encourage research and development, and innovation if the goal of the AMV to use mining as a spring board for industrialisation is to be realised.

**Programme cluster goal - *To create a knowledge driven mining sector that is a key component of a diversified, vibrant and globally competitive industrialising African economy***

## Action Plan

EXPECTED ACCOMPLISHMENT	ACTIVITIES	TIME FRAME	MONITORING INDICATORS	RESPONSIBLE BODIES AND MAIN ACTORS
A knowledge driven, diversified, globally competitive mining sector that is a key component of an industrialising African economy	<b>At national level</b>			
	<ul style="list-style-type: none"> <li>Improve funding for minerals research including focus on improved mineral extraction processes especially for marginal deposits</li> </ul>	MT	Increase in funding levels allocated to R&D	MS RECs AUC
	<ul style="list-style-type: none"> <li>Develop niche technological competencies in the resource input sector;</li> </ul>	MT	Increase in mining companies involvement in funding R & D	PVTS WB
	<ul style="list-style-type: none"> <li>Develop mineral (and tax) law and policy instruments that will encourage R&amp;D and HRD;</li> </ul>	ST	Degree of effectiveness of incentives in promoting R & D	Bilateral
	<ul style="list-style-type: none"> <li>Promote strategies to develop R &amp; D in industries that adopt beneficiation approach for primary minerals</li> </ul>	ST		
	<ul style="list-style-type: none"> <li>Develop and update detailed statistics on mineral production, exports, investments direct and indirect public revenue generated by the minerals and mining industry, direct and indirect power and water consumption, local content, labour, etc</li> </ul>	ST		
	<b>At sub regional and regional levels</b>			
<ul style="list-style-type: none"> <li>Compile a compendium of current and potential centres of R&amp;D at</li> </ul>	ECA	Degree of inter country collaboration in R & D		

EXPECTED ACCOMPLISHMENT	ACTIVITIES	TIME FRAME	MONITORING INDICATORS	RESPONSIBLE BODIES AND MAIN ACTORS
	<p>sub regional and regional levels;</p> <ul style="list-style-type: none"> <li>• Develop strategies to enhance collaboration between R &amp; D centres with a view to knowledge-sharing and technology transfer</li> <li>• Develop exchange of information networks to enhance exchange of data and good practices</li> <li>• Establish a virtual African Mining Institute as a core of the network of national centres of excellence</li> </ul>	<p>ST</p> <p>ST</p> <p>ST</p>		

## **Programme cluster 7 - Environment and social issues**

### **Context**

Africa retains the environmental and social burden of mining and this reduces the benefits of its minerals exploitation when these costs are considered. While frameworks that incorporate environmental, and to a lesser extent social, issues into the evaluation of the costs and benefits of a mining projects has evolved significantly in the last 20 years, their, application to assess and regulate their impacts, has not developed that much in many African countries. Further, even in countries where these have developed, capacity to enforce them is often lacking.

The poor management and regulation of the negative environmental and social impacts of mining have fuelled criticism and, in some cases, hostile attitudes towards the mining industry and governments among communities affected by mining and a range of civil society organisations. The occurrence of these impacts can be reduced and the effects mitigated, where impacts are unavoidable.

Addressing the adverse environmental and social impacts of mining requires a multi-pronged approach. On their part, Governments need to strengthen the frameworks that govern environmental and social impact assessment, management and regulation. They should also enhance the capacities and effectiveness of regulatory agencies and improve the culture of how these institutions interact with citizens and communities affected by mining. This would help minimise conflicts and tensions with communities due to displacement and disruption of livelihoods by mining activities.

On their part, companies need to improve the practice and application of corporate social responsibility. Today there is a proliferation of CSR frameworks, norms and reporting formats—some legislated, but most guidelines or voluntary codes. These myriad sources and frameworks are often uncoordinated and sometimes confusing. It is important therefore to embed CSR in a framework whose responsibilities are clear and is part of a broader social development agenda that has been consultatively developed between Government, mining companies and communities. This would strengthen the social licence for mining projects.

**Programme cluster goal - *To create a mining sector that is environmentally friendly, socially responsible and appreciated by all stakeholders and surrounding communities.***

**Action Plan**

EXPECTED ACCOMPLISHMENT	ACTIVITIES	TIME FRAME	MONITORING INDICATORS	RESPONSIBLE BODYS AND MAIN ACTORS
<p>A mining sector that is environmentally friendly, is socially responsible and is appreciated by communities.</p>	<p><b>At national level</b></p> <ul style="list-style-type: none"> <li>• Strengthen institutions, skills and standards for effective environmental regulation</li> <li>• Mainstream Strategic Environmental and Social Assessments (SESA), Environmental Impact Assessment (EIA), Social Impact Assessment (SIA) and Health Impact Assessment(HIA) into national policies, laws, and regulations;</li> <li>• Make SEAs, EIAs, HIAs and SIAs mandatory tools for project approval</li> <li>• Develop and implement guidelines for impacts and benefits agreements with communities in mining areas</li> <li>• Monitor implementation of environmental and social funds as part of mandatory requirements for continued mining operations</li> <li>• Develop a sustainable environmental and health &amp; safety strategy to reduce or eliminate the adverse impacts of ASM</li> <li>• Build capacities of communities and CSOs to negotiate impact and benefits agreements</li> </ul>	<p>MT</p> <p>MT</p> <p>ST</p> <p>ST</p> <p>ST</p> <p>ST</p> <p>ST</p>	<p>Degree of compliance to environmental and social plans</p> <p>Existence of fully resourced environmental and social funds</p> <p>Effectiveness of impacts and benefits agreements in securing benefits for communities</p> <p>Effectiveness of participation by communities in negotiating agreements</p>	<p>MS</p> <p>RECs</p> <p>AUC</p> <p>PVTS</p> <p>WB</p> <p>UNEP</p> <p>NGOs</p> <p>CSOs</p> <p>Bilateral</p>

EXPECTED ACCOMPLISHMENT	ACTIVITIES	TIME FRAME	MONITORING INDICATORS	RESPONSIBLE BODYS AND MAIN ACTORS
	<p><b>At sub regional and regional levels</b></p> <ul style="list-style-type: none"> <li>• Develop and adopt common environmental, health and safety standards and norms for the mining sector</li> <li>• Develop toolkits and guidelines for environment, safety and health management at the sub regional and regional levels</li> <li>• Develop guidelines for impacts and benefits agreements and procedures for community-company negotiations</li> </ul>	<p>MT</p> <p>ST</p> <p>ST</p>	<p>Extent to which common standards, toolkits and guidelines are implemented at national level</p>	

## **Programme cluster 8 - Linkages and diversification**

### **Context**

Generally, linkages between the mining and other economic and social activities are not well developed in the African mineral industry, with the exception of the transport and energy sectors. This reflects the reliance of the industry to extract and evacuate bulk minerals to overseas markets.

A number of challenges inhibit the development of economic linkages in the African mineral sector. These for example, include large infrastructural deficits, which constrain the movement of goods and services; the weak African markets for mineral products, which reflect the overall low level of Africa's industrialisation; technological deficiencies, low levels of R&D and the large skill gaps existing in the continent.

However, linkage development will not just happen because Africa has world class mineral deposits. It requires the right policies and strategies to leverage mineral extraction and processing operations into broader economic development outcomes. The measures required include identifying those minerals which offer significant possibilities for national and regional industrial development and integration; investing in infrastructure networks, setting terms, within the power of government, for access to mineral resources that impose linkage conditions on mineral rights holders and also provide incentives for investors to structure projects in ways that deepen their integration into the broader national and regional economy; making provisions for local content and empowerment of citizens in legislation and investing in human resources and knowledge development, particularly to grow the higher level technical skills base required by the minerals industry.

***Programme cluster goal - To create a mining sector that catalyses and contributes to broad-based growth and development through upstream, downstream, sidestream and infrastructure linkages***

Action Plan

EXPECTED ACCOMPLISHMENT	ACTIVITIES	TIME FRAME	MONITORING INDICATORS	RESPONSIBLE BODIES AND MAIN ACTORS
<p>Enhanced mineral based industrialization and diversification of African economies;</p>	<p><b>At national level</b></p> <ul style="list-style-type: none"> <li>• Identify and promote development of industrial minerals to enhance linkages</li> <li>• Develop local content policy</li> <li>• Identify and promote viable beneficiation projects</li> <li>• Review and realign international agreements to create space for mineral resource based industrialization and development;</li> <li>• Create a database on tariff and non-tariff barriers to mineral-based value added products and expand their access to regional and global markets</li> <li>• Promote holistic and multi-sectoral approaches to mineral development policy and develop institutional arrangements that combine the minerals, industry, trade and STI complexes.</li> </ul> <p><b>At sub regional and regional levels</b></p> <ul style="list-style-type: none"> <li>• Cooperate in the formulation and implementation of trade and investment policies that facilitate linkages development</li> <li>• Ensure that WTO, EPAs, FTAs, BITs and other bilateral, regional and/or international agreements do not constrain policy space for mineral resource based industrialisation and value</li> </ul>	<p>MT MT ST MT  ST MT</p>	<ul style="list-style-type: none"> <li>• Level of effectiveness of linkages and local content policies</li> <li>• Extent to which international agreements are aligned to national industrialisation strategies</li> <li>• Extent to which data base on tariff and non-tariff barriers is used to stimulate manufacture of value added mineral products</li> <li>• Extent of collaboration between institutions that impact on the development of mineral resources</li> <li>• Effectiveness of regional strategies in eliminating tariff and tariff barriers</li> <li>• Extent to which regional strategies support mineral based industrialisation in Africa</li> </ul>	<p>MS RECs AUC PVTS AfDB WB EU Bilateral</p>



EXPECTED ACCOMPLISHMENT	ACTIVITIES	TIME FRAME	MONITORING INDICATORS	RESPONSIBLE BODIES AND MAIN ACTORS
	<ul style="list-style-type: none"> <li>• addition. Develop regional strategies to eliminate tariff and non-tariff barriers to mineral-based value added products and expand their access to regional and global markets.</li> <li>• Develop a framework for mineral beneficiation in Africa</li> <li>• Promote holistic and sector-wide and multi-sectoral approaches to mineral development policy and a new institutional arrangement combining the minerals, industry, trade and STI complexes.</li> </ul>			

## **Programme cluster 9 – Mobilizing mining and infrastructure investment**

### **Context**

Africa's mineral resources have never been in higher demand. Prices have risen exponentially and generally investment in exploration and mining projects has increased over the past decade. Yet due to Africa's large infrastructure deficit, especially in transport and energy, wider investment in mining projects remains a constraint to increased mineral exploitation. This is exacerbated by the fact that mineral deposits occur in areas where economic infrastructure is unavailable.

However, it is not only infrastructure constraints that limit investment into new mineral projects. A plethora of perceived risk factors, among them political risk, sovereign credit ratings, technical risk, etc also tend to limit the levels of investment into mining and infrastructure projects in Africa. This is more so for large scale mining and infrastructure projects with long payback periods. A further limiting factor is that domestic sources of capital, as well as the private sector, do not fully participate in infrastructure projects to unlock increased mineral project opportunities.

The motivation for investment promotion is that the mineral resource base of the region is under-exploited and hence additional investment is required to increase the exploration rate for new deposits, and the development of new mines, as well as for the modernisation and expansion of existing plants. The continued investment flows into the African mineral sector requires that the international community is made aware of opportunities available in the region.

The possibility of simultaneous infrastructure and mining investment, such as a natural resources driven development corridor, offers a pragmatic approach not only for unlocking mining and infrastructure projects, but other collateral economic and social opportunities. Mining SDIs offer a practical approach to public infrastructure investments given their reasonably large requirements for water, energy and transport. While this would satisfy the current need for additional mine capacity due the high demand for mineral commodities, and mining infrastructure, the additional scope for other economic and social use would accelerate Africa's pace of development.

**Programme cluster goal - *To increase the level of investment flows into mining and infrastructure projects to support of broad socio-economic development***

## Action Plan

EXPECTED ACCOMPLISHMENT	ACTIVITIES	TIME FRAME	MONITORING INDICATORS	RESPONSIBLE BODIES AND MAIN ACTORS
<p>Enhanced investment in mining and infrastructure projects in Africa;</p>	<p><b>At national level</b></p> <ul style="list-style-type: none"> <li>• Develop strategies to promote local and international financial resource mobilization</li> <li>• Develop effective investment promotion and protection strategies</li> <li>• Develop improved strategies to target emerging market financiers for R4Is with emphasis on greenfield projects in mining and infrastructure</li> <li>• Identify and develop national SDIs</li> <li>• Develop and implement financial reforms to create an enabling environment for bond issuance and pension and insurance funds to participate in mining and infrastructure investment</li> <li>• Create or strengthen PPI units in member States to enable the participation of the private sector in infrastructure projects</li> </ul> <p><b>At sub regional and regional levels</b></p> <ul style="list-style-type: none"> <li>• Develop structures for planning, financing and development of regional infrastructural projects that support linkage development</li> <li>• Facilitate and protect cross-border or regional investments</li> <li>• Embark on development corridor scoping studies to ascertain their economic viability</li> <li>• Identify short and medium term</li> </ul>	<p>ST</p> <p>ST</p> <p>ST</p> <p>LT</p> <p>LT</p> <p>ST</p> <p>MT</p> <p>MT</p> <p>ST</p>	<ul style="list-style-type: none"> <li>• Improved investment flows into mining and infrastructure projects</li> <li>• Extent to which domestic capital resources are used to invest in infrastructure and mining projects</li> </ul> <ul style="list-style-type: none"> <li>• Effectiveness of structures for planning regional infrastructure projects</li> <li>• Level of increase in financing regional infrastructure projects are finance</li> </ul>	<p>MS</p> <p>RECs</p> <p>AUC</p> <p>NCPA</p> <p>Bilateral</p> <p>WB</p> <p>EU</p> <p>AfDB</p> <p>ECA</p> <p>PVTS</p>

EXPECTED ACCOMPLISHMENT	ACTIVITIES	TIME FRAME	MONITORING INDICATORS	RESPONSIBLE BODIES AND MAIN ACTORS
	<p>mining and infrastructure projects and package them for investment promotion at the subregional and regional levels</p> <ul style="list-style-type: none"> <li>• Establish capacity building programmes in project preparation, valuation, negotiation, structuring and syndication</li> <li>• Promote the establishment of sub-regional capital markets to mobilize regional capital to finance regional projects and programmes</li> </ul>	<p>ST</p> <p>ST</p> <p>LT</p>	<ul style="list-style-type: none"> <li>• Number of people participating in capacity building programmes</li> <li>• Increased local financing of mining projects</li> </ul>	

## **Resourcing the Action Plan and the AMV**

The Action Plan has been conceived as a multiyear, multi partner rolling plan whose implementation and success will depend on the levels and quality of partnerships that emerge. A number of key role players have been identified, based on their areas of current activities. This invariably means that different types and levels of resources are expected to leverage against the plan by the partners.

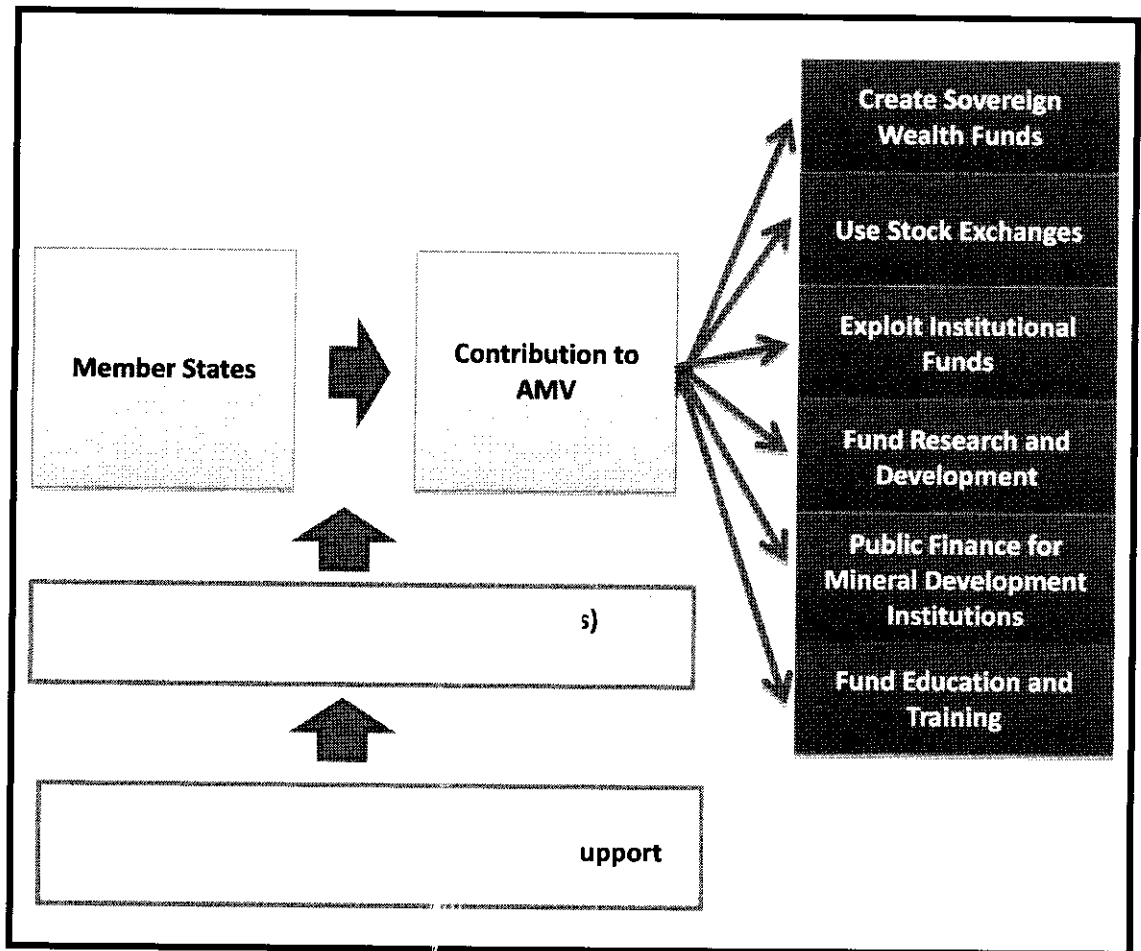
### **Member States and their institutions**

Member States, individually and collectively, own the plan and hence carry the main burden of ensuring that the plan is implemented. As the main beneficiaries, they are expected to exercise leadership over its implementation. More specifically, Governments of member States should:

- Create the domestic and regional policy environment in which mining activities can thrive and therefore have a responsibility to align their mining policies to the vision;
- Fund educational and training institutions, research and development organisations and public sector institutions that regulate the mineral sector, such as geological surveys, mine safety departments and environmental monitoring agencies; and
- Provide infrastructure support for mining investment and infrastructure financing either as standalone projects or through public private partnerships, to facilitate the flow of investment into mining areas

Thus the State has a central role to play in implementing the AMV and this cannot be discharged without sustainable funding for public services such as geological surveys. Practical ways in which member States could meet these obligations, as part of efforts to resource the Action Plan, include; ensuring that the taxes collected from mineral resources are optimised through well-structured tax and royalty regimes; and, setting aside a small proportion of mineral taxes paid to the State to ensure that the State's responsibilities are efficiently and effectively discharged.

In addition, Governments need to be strategic in how they provide broader infrastructural and mining investment support. Currently national development bank institutions (DBIs) and institutional funds, such as insurance and pension funds, are not active in mining investment and infrastructure projects. Governments need to create conducive conditions to mop up these resources, including, pursuing longer term institutional and financial reform to create longer term financial markets to enable the pension fund and insurance sectors to participate in mining related infrastructure finance investment. Governments could further incentivise commercial banks to move towards providing such finance through appropriate fiscal packages. Possible Government contributions in this respect include issuance of Government bonds for infrastructure finance in mining areas as well as establishing Sovereign Wealth Funds (SWF) from mineral revenue to provide a potential pool of financial resources for investing in mining and mining related infrastructure.



### The RECs, NPCA and the AUC

Intergovernmental institutions represent key components in establishing policy coordination and harmonisation at sub regional and continental levels. The AUC represents the highest collective political decision making body and is expected to provide leadership over the plan on behalf of the AU. It is in fact the custodian of the AMV and hence its leadership is important. The NPCA represents the vehicle for implementing regional commons and projects, along with regional economic communities (RECs), such as key infrastructure to support mining activities. The RECs further represent avenues for establishing a favourable environment for cross border factor movement including skills, capital and investment. In addition, they enable the sharing of capacities in a broad range of areas of the AMV, such as capacity building and technology development. Thus it is important that the Action Plan also dovetails into the sub regional plans for harmonising policies.

## Multilateral Development Partners

A number of multilateral development partners are already active in many areas of relevance to the AMV and some have expressed interest to collaborate with the AUC and its member States to realize the Vision.

The EU, for example, is already active in providing development finance for infrastructure development and mining finance through the European Investment Bank. The European Commission is also interested in working with the AU in the following areas of the Vision under the EU Raw Materials Initiative:

**Natural Resources Governance** – in revenue transparency (eg through EITI and the new legislation passed in November 2011 compelling EU natural resources companies to declare what they pay to Governments in taxes); capacity building in negotiating mining contracts, and in policy development in areas that promote trade

**Infrastructure and mining investment** - mapping mining development corridors and assessing opportunities for increasing local content mining value added

**Geological Knowledge and skills** - facilitating mineral exploration and building capacities of geological surveys and environmental management agencies.

The **World Bank** and its agencies are active in several areas including providing mining finance, through IFC, and participating in infrastructure finance. The World Bank also supports revenue transparency, through the Extractive Industries Transparency Initiative (EITI), contract negotiations through the Extractive Industries Technical Advisory Facility (EI-TAF), and sustainable livelihoods in the small scale mining sector through the Communities and Artisanal and Small Scale Mining (CASM). Areas for potential collaborative programmes with the World Bank hence include:

- Strengthening value chain audit functions and revenue management through EITI PREM
- Strengthening strategic planning in mining areas, such as the proposed infrastructure corridors
- Business linkages programs. Partnership with IFC and PSD
- Technology development and skills development

The **African Development Bank** are a full partner to the implementation of the AMV and together with the AUC and UNECA, represent the three premier pan African institutions tasked by the member States to implement the AMV. As a matter of fact, the Action Plan has been developed with co-funding from the AfDB. The Bank is active in infrastructure and mining finance, capacity building as well as technical assistance programmes. Through the Africa Legal Support Facility (ALSF), the Bank assists member States in cases of international litigation, as well as improve their capacities to negotiate beneficial natural resources contracts. AfDB could be used as a vehicle to advance AMV activities related to mineral rents and investment; human and institutional capacity development; value addition and economic linkages; and mineral sector governance

### The private sector

The private sector, both domestic and foreign, is a key partner in achieving the goals of the AMV. African mining is, as a matter of fact, dominated by private sector investment. South African based mining companies are the largest investors in their domestic market, albeit with considerable equity participation from international investors. While traditionally, EU companies were the largest investors in African mining, their participation has reduced significantly in the last ten years, giving way to the mining companies, especially juniors, from Australia and Canada. Canadian and Australian companies now represent firms from the West with the largest pan-African mining footprint. The private sector is expected to support the implementation of the AMV through investment in mining and infrastructure projects.

### Bilateral Development partners

These comprise primarily Government to Government cooperating arrangements that support or facilitate mining investment from either private or public companies. Such facilitation has seen, for example, use of sovereign wealth funds to purchase equity through national investment guarantee agencies. Canadian companies receive a fair amount of government support in facilitating investment. Australian companies, on the other hand, have not received as much support but this is increasing. Both Canada and Australia Governments are active in capacity building initiatives and the provision of social infrastructure aid.

China has in the last ten years emerged as a major investor in mining in Africa with active and structured support from its government in facilitating investment at levels much higher than from western sources. China's approach has involved large budget infrastructure projects, particularly in hydro electric dams and transport (road, rail and ports) in return for mineral resources. These resources for infrastructure (R4I) contracts combine mining contracts and infrastructure projects to offer FDI benefits greater than provided by either FDI source acting separately. They therefore offer tremendous possibilities for developing large natural resources development corridors under the AMV. Thus, some of the aspirations of the AMV including strengthening linkages, local procurement and infrastructure development and collaboration with local entrepreneurs could be included in the agreements with Chinese investors.

### The United Nations System

The United Nations System can potentially offer support in implementing the AMV in a number of areas, given its variety of competencies. The UN's primary strengths lie in its neutrality to help member states in advocacy, consensus building to create African positions, and its capacity building and policy design roles.

ECA has used these attributes to create the AMV, providing capacity building e.g in contract negotiations and policy design, and assisting member States on policy harmonisation in the minerals sector. UNEP could bring resources in environment and sustainable development of the ANV; UNCTAD in areas of diversifying mineral commodity value chains and investment, while ILO could anchor some of the work related to labour issues and human rights, as well as small scale mining. UNIDO has previously supported work on small scale mining technologies.



## **NGOs and CSOs**

While not strictly funding organisations, NGOs and CSOs have a major role to play in building capacities for communities, playing an advocacy role to secure their interest, participating in policy making to ensure all stakeholder interest are secured and generally playing a watch dog role. For NGOs and CSOs to fully discharge these roles, however, they need to scale up their capacities quite significantly in various aspects of the mineral value chain. Nevertheless, they remain useful partners in implementing the AMV

## **Levels of resources required**

While the various potential sources of resources to implement the plan have been identified, no effort has been made to define the levels of both financial and human resources that are required. Clearly the levels are quite high, hence the need for robust partnerships. It is proposed that a detailed scoping study is undertaken to better map activities and their requisite resource levels. It is also proposed that the round table meeting to be held during the Ministerial conference be used to confirm the interest of partners for resourcing the plan.

## **Monitoring the effectiveness of interventions**

It is important to monitor the implementation of the Action Plan and ensure that its intended outcomes are being delivered. A viable mechanism or framework is required which integrates results from several sources and the efficiency of programme interventions in creating impact. An outcome-oriented monitoring framework, widely used in the United Nations system as well as by other development organisations, is suggested. Fundamentally, such monitoring framework is results oriented with clear and measurable indicators of expected outcomes, and clearly defined benchmarks or targets. To this end, indicators provide a meaningful way to assess progress being made and the impact created.

Preliminary outcomes and indicators for their measurement have been suggested for the plan. These, however, will need to be tightened up at the implementation stage to endure that there is a clear alignment between the interventions and the outcomes they seek to create, on the one hand, and between the indicators, their specific data requirements and the outcomes they seek to measure, on the other. This is hence work in progress.

## **Institutional arrangements for implementing the plan**

The plan's activities are quite diversified and the range of partners broad. Implementation of the plan, and thus delivering on the AMV, is going to require the creation of a strategic coordination capacity to specifically undertake the following activities:

1. Provide technical support for the implementation of the plan's activities
2. Identify gaps and areas of need in the member States and network expertise from a broad range of sources to address such need

3. Undertake and coordinate policy research to develop policy strategies and options for realising the vision
4. Develop a continuous advocacy and information dissemination campaign including maintaining websites and discussion forums to engage various stakeholders
5. Undertake monitoring and evaluation activities and generally provide corrective action to maintain relevance of interventions to the AMV
6. Generally provide a think-tanking capacity for the AMV

The above coordination tasks, and indeed the wide range of activities under the plan, cannot be undertaken without a strategic coordination capacity. It is therefore proposed that a Mineral Policy Research Centre be established to fulfil this role. Preliminary consultations with several bilateral and multilateral partners indicate interest in not just funding the Centre but in participating in its activities through collaborative arrangements and technical assistance programmes. Positive indications of potential support for the centre have been expressed by the World Bank, the EU, Canada and Australia. Australia has expressed the firmest interest with support for a scoping study for such a centre. Preliminary indications are therefore that such a centre would attract material support from a broad range of partners.

To broaden participation and entrench ownership, the proposed Centre could be supported by a steering committee comprising the Bureau of the Ministerial Conference, the AUC, NPCA, the RECs, the AfDB and UNECA. The steering committee would be responsible for the overall strategic direction of the centre. An advisory board could supervise the operations of the centre. Models for such a centre currently exist within ECA and these include the Africa Trade Policy Centre (ATPC) supported principally by Canada and the Africa Climate Policy Centre (ACPC), supported by several donor governments.