

5.1.14
S

UNITED NATIONS
ECONOMIC COMMISSION
FOR AFRICA



47809

NATIONS UNIES
COMMISSION ECONOMIQUE
POUR L'AFRIQUE

**SUBREGIONAL DEVELOPMENT CENTRE FOR SOUTHERN AFRICA
(ECA/SRDC-SA)**

Distr
LIMITEE

ECA/SRDC/SA/ICE/98/10
September, 1998

Original: ENGLISH

Fifth Meeting of the Intergovernmental Committee of Experts
for Southern Africa (ICE)

5-8 October, 1998
Lusaka, Zambia

**INSTITUTIONAL FRAMEWORK FOR
CO-OPERATION IN MINERAL RESOURCES
DEVELOPMENT IN SOUTHERN AFRICA**

Institutional Framework for Co-operation in Mineral Resources Development in Southern Africa.

1. INTRODUCTION

1. The Southern African Region (SAR)¹ is truly endowed with a variety of the world's major minerals. It possesses the world's largest known mineral reserves of alumino-silicates, chromium, cobalt, gold, platinum group metals and vanadium. In addition, the subregion contains significant deposits of copper, coal, titanium mineral sands, uranium and many other minerals. In line with the substantial mineral endowment, many of the economies in the subregion, notably those of Botswana, Namibia, South Africa, the Democratic Republic of Congo, Zambia and Zimbabwe have traditionally been underpinned by the minerals sector. Aggregately, the mining industry in SADC countries is the biggest foreign exchange earner, accounting for some 60% of total earnings, contributes an average of 10% to the subregional GDP and employs about 5% of total wage earners² (1).

2. The many visible benefits historically associated with the mineral industry in Southern Africa have led to the expectations that mining can play a larger role in the national programmes of economic reconstruction and development, particularly in light of the industry's short term and intense capacity to earn foreign exchange. However, the national economies face insurmountable difficulties in accessing a broad range of factor inputs. These include high level skills, modern and competitive technologies and finance for mineral projects.

¹ The southern African Region (SAR) includes the Democratic Republic of Congo, which is a member of the Southern African Development Community (SADC)

² These figures exclude contributions from the Democratic Republic of Congo.

3. It has always been recognised that these weaknesses can be substantially circumvented through regional economic co-operation (REC) or regional economic integration (REI). However, the institutional framework which fully exploits trans-border economic factor conditions and the synergies of the many partners associated with mineral resources development in Southern Africa is not yet fully effective.
4. Several studies (1,2,3) have included broad aspects of the institutional framework for co-operation in Southern Africa. These studies have not, however, been specific to the minerals sector. While some studies and workshops (4, 5,6,7,8) have addressed specific themes of economic co-operation in mineral resources development in SAR, they have not adequately examined the institutional structures and mechanisms which are in place to drive economic co-operation in the minerals industry of SAR.
5. In light of the importance of the minerals industry to the national economies in SAR, and in order to improve the pace of integration in the sector, the member States requested the Southern African Subregional Development Centre (SA-SRDC) of the United Nations Economic Commission for Africa (UNECA) to undertake a study to assess the institutional framework for economic co-operation in the mineral sector of the subregion. The study was programmed for the 1998/1999 biennium.
6. This report presents the findings of the study. Chapter 2 of the report describes the objectives of, and methods used in, the study. Chapter 3 sketches the underlying principles of relevance to the study, while in Chapter 4, the current formal structures of REI for the minerals sector in SAR, are described. The main findings of the study are presented in Chapter 5. In both chapter 4 and 5, the description of the umbrella structures of REI are included. In the execution of the study, it became apparent that the formal structures and processes for REI in the mineral sector cannot be dissociated from the umbrella framework in which they operate. Chapter 5 also outlines a proposed

framework for improving REI activities in SAR. The framework takes into account the need for structures and processes in which there is wider and more pluralistic consultations, underpinned by fuller use of non-governmental competencies. The recommendations of the study are presented in chapter 6. The conclusions presented in chapter 7 suggest a fundamental shift in the structures and processes for successful integration in the mineral sector in Southern Africa.

2. OBJECTIVES AND METHODOLOGY OF THE STUDY

7. The study's main aim was to examine the existing formal institutional structures and mechanisms for co-operation in mineral resources development in Southern Africa as a basis for improving their effectiveness. The developmental objective was to contribute to the definition of structures and processes which promote consensual and well co-ordinated integration activities which are harmonised with the generally perceived vision for regional economic integration and in which the main development agents and the aggregate factor conditions in the subregion mutually reinforce each other to fulfil that vision.

8. In line with this objective, the study focussed on the following main areas:

- a) Existing formal structures and instruments for economic co-operation in the mineral sector at the national, subregional and regional levels;
- b) Appropriateness of the structures and instruments in their mission to deepen the processes of REI;
- c) Consultative processes and structures for plural stakeholder participation in REI activities at the national and subregional levels;
- d) Identification and distribution of capacities and competencies for integration in the mineral sector of SAR;
- e) Identification of the vision and perceived areas of common interest which would underpin REI in the mineral sector;

-
- f) Comparison to integration practices elsewhere, from which useful lessons may be learnt.

9. The study used a combination of a detailed literature review and interactive interviews of pre-selected stakeholders, who were visited during missions. The interviews with the stakeholders took the form of discussions around the above areas. This semi-structured interactive process was preferred over the distribution of questionnaires because it allowed uninhibited exploration of the subject areas. Experience with questionnaires also suggests that they are rarely returned on time and they have an impersonal nature. Their use is probably superior in quantitative rather than qualitative studies of this nature.

10. The countries visited were selected on account of the relevance of their institutions to mineral-based economic co-operation. They included Tanzania, Botswana, Zambia, South Africa and Zimbabwe. The categories of institutions visited were:

- a) Intergovernmental institutions with minerals programmes such as COMESA, SADC and the ESAMRDC - these constitute the main umbrellas for institutional co-operation in Southern Africa.
- b) Centres of knowledge in mineral resources development including selected universities in the subregion, Mintek, Miningtek, the Minerals and Energy Policy Centre and the Institute of Mining Research.
- c) Chambers of mines and mineral associations to obtain private sector views on existing institutional frameworks for minerals development;
- d) Departments of minerals development in government ministries and foreign affairs ministries to obtain public sector views on existing institutional structures and mechanisms;
- e) Development agencies and partners such as the resident offices of the World Bank, IFC, EU and the UN family including UNDP.

11. A list of people of interviewed, and the institutions and countries visited shown in Annex 1.

3. CONCEPTS OF ECONOMIC CO-OPERATION AND INTEGRATION

12. 12. Regional economic integration (REI), sometimes used synonymously with regional economic co-operation (REC) (9), embraces a continuum of inter-country collaboration schemes which range from simple forms such as information networking to more complex schemes characterised by common policies (10). Between the two poles, it is commonly agreed that there are various levels dependent on how deep³ the REI process is.

13. Contemporary economic integration theory views integration initiatives from a trade-based or market integration approach. This is probably inspired by the notable achievements of the European Union (EU), arguably the most advanced and successful of any REI scheme (11,12). The broad path for trade-based integration involves the following progressively deeper stages:

- a) Preferential and free trade areas in which tariff and non-tariff barriers are partially removed or abolished;
- b) Customs union and common markets in which there is a common external tariff and intraregional mobility of goods, services and factors of production;
- c) Economic union in which there is a degree of harmonisation of national economic policies;
- d) Supranational union with common monetary, fiscal and social policies implemented through a supranational authority to which national governments delegate their sovereignty over specific policies.

14. The underlying assumption of trade-based integration is that the creation of larger markets favours conditions for allocation effects to emerge within and

³ Walter Kennes (13) defines the depth of economic integration as the intensity of the process.

between countries in the region. Economic gains are assumed to flow from the optimal allocation of resources to exploit economies of scale. This is expected to lead to specialisation and a concentration of productive resources, which stimulates innovation, competitiveness and growth of the integrating economies (13).

15. In the context of African REI schemes, it has been argued that market-based economic integration is more suited to economies at advanced levels of industrial development, with a high degree of macroeconomic convergence (9,13,14). The competitive base of the industrial sector, therefore, allows the capture of gains of allocation effects by engendering trade creation⁴ (13,15). Africa, including SAR, on the other hand, is characterised by much lower levels of economic development with relatively poorly developed human capital and technical resources. Its economic and financial infrastructure is poorly developed while the macroeconomic framework is burdened with structural imbalances. The industrial sector is dominated by resource-based export industries in the extractive industries, such as mining.

16. These difficulties lead many to argue (9,13,14) that Africa's integration schemes must necessarily emphasise access to factor conditions especially in the key areas of capital, technology and skills. The issues to be addressed revolve around industrialisation and modernisation of productive capacities, as well as diversification of production to reduce the overwhelming dependence on exports of a few primary commodities. Other elements include self-sufficiency in products crucial to satisfying basic needs, joint provision of public goods such as economic infrastructure and fuller exploitation of natural resource endowments. This development approach therefore encourages the deepening of functional co-operation across specific sectors or themes. It is assumed that as the process

⁴ Trade theory postulates that trade liberalisation reduces costs for higher quality goods through competition, innovation and specialisation. This promotes clusters of low cost industries, multiplying opportunities for trade and investments. This is referred to as trade creation.

of integration advances, it would then become necessary to address more advanced and all-embracing formal structures that deal with the convergence of fiscal and monetary policies (14,15).

17. A number of prerequisites are needed in order to sustain economic REI. The first of these is the issue of benefits and costs. The motives for integration include the need for balanced economic growth and prosperity. Integration must be seen as a positive sum game in which there is both economic and social value added compared to national efforts (14,15,16). The maximisation of welfare gains allows the integrating countries to leverage populist support for the process, thus reinforcing a sense of practical common interest and purpose. Progress and success in the process generates momentum which broadens and deepens the integration initiatives. This has been well exemplified by experiences from European integration⁵ (14,15,16).

18. Economic integration can also have what Sapir (13) has referred to as delocation effects, in which industry and other integration activities concentrate in the developed regions at the expense of poorer areas. There is, therefore, a need for compensatory mechanisms to ensure that there is balance and equity in the distribution of the benefits of integration. Closely coupled to the issue of benefits is the question of costs. This relates to the cost of maintaining the institutional framework for integration. The principle of balance, equity and mutual benefit suggests that the cost of integration cannot become too excessive for any one country. It is accepted, however, that richer countries, which benefit the most, need to bear a higher cost to integration (15)

19. Other concepts of relevance to this study are subsidiarity, supranationality and variable geometry. Stated simply, the EU principle of subsidiarity implies *"that the body representing the level at which an issue can be most effectively*

⁵ Robert Schuman, one of Europe's founding fathers said, "Europe will not be made at once, or according to a single plan. It will be built through concrete achievements which first create a de facto solidarity" (16)

tackled should be assigned the responsibility for that issue" (3,14). In practice the principle of subsidiarity allows for efficient and effective deployment of competencies for integration between nation states in the group. Related to this division of labour is the balance between intergovernmentalism and supranationality. In the crudest sense, supranationality is defined as "*the surrender of national sovereignty*" (12). This definition is rather rigid and insufficiently rigorous. More appropriate is the broader concept of surrendering the formal exercise of powers of nation states over specific areas or issues.

20. Griffith (12) argues that supranational forms of co-operation cede power to integrating institutions in three key areas:

- a) Right of initiative of the supranational institutions to drive the integration process;
- b) Decision making processes in which states lose the right to veto compared to intergovernmental institutions characterised by pure decisions of consensus; and
- c) Institutional control over outcomes and how they are implemented.

21. It is commonly recognised that as integration activities progress from functional co-operation, characteristic of intergovernmental structures, to deeper levels, such as those requiring policy harmonisation, some form of supranationality is required (12,14,15)

22. Not all countries in an integrating group can participate in all initiatives. "*Progress within an organ should be possible for a subgroup of member States with others joining when they are ready*" (14). This concept, popularly referred to as variable geometry, ensures that progress on the broad goals of integration is not held back.

23. A final concept of relevance to the study is the relationship between globalisation and economic integration, the so-called multilateralism versus

regionalism debate. The multilateral nature of trade and investment has especially magnified the need for competitiveness of factor creation and exploitation. At the core of globalisation is the prerequisite for technological innovation. African countries do not simply possess sufficient institutions for competitive factor creation and exploitation, a characteristic which underpins their dependency on commodity exports. The declining importance of commodities in world trade, coupled with the dismantling of trade barriers by the WTO, can only result in increased marginalisation of African countries. This is exacerbated by the increased regionalisation at world level. Thus, it is imperative for regional economic integration in Southern Africa to address subregional sources of technological competitiveness to underpin mineral exports with a higher trade profile. This makes more urgent the case for exploiting factor competitiveness, particularly higher order factors, which drive global competitiveness.

24. These fundamental concepts are not irrelevant to this study. They determine the nature and form of the institutional framework for REI in SAR. In Africa, many integration schemes have atrophied precisely because of inadequate or inappropriate institutional frameworks. Furthermore, there has been an observed tendency to emphasise institutional frameworks to the detriment of available capacities and the objective of co-operation (14). The creation of institutional platforms for co-operation is not an end in itself, it is a means through which symbiotic relationships between objectives, tasks and outcomes are given form and effect. For example, the concepts of subsidiarity and supranationality have impact on the institutional division of powers and competencies between member States and their institutions of co-operation.

25. Likewise, a sense of common purpose and political will must translate into concrete integration activities governed by the institutional exigency of the regional group. The need for global competitiveness determines the institutional relationships, which should govern access to factor conditions in the integrating group. The institutional form of co-operation and integration is, therefore, a major

determinant of the success or failure of REI schemes. There is broad agreement that the actual pace of integration is unique and specific to each REI group. It is determined not by imposition of successful models from elsewhere rather than the inherent quality of dialogue to address the specific interests, goals and constraints of the integrating group.

4. OVERVIEW OF INSTITUTIONAL FRAMEWORKS FOR COOPERATION IN MINERAL RESOURCES DEVELOPMENT IN SOUTHERN AFRICA

4.1 The Umbrella Frameworks for Co-operation and Integration

4.1.1 *The OAU Framework*

26. It would be incomplete to discuss REI in SAR without reference to the umbrella context in which they were conceived. The guiding principles for economic co-operation in Africa are enshrined in the Lagos Plan of Action and the Final Act of Lagos adopted in 1980 and in the Abuja Treaty of 1991 establishing the African Economic Community (AEC), which came into force in 1994. The Treaty is a comprehensive document which provides for the building of the African Economic Community in phases through the initial strengthening of smaller integration groups or units called (sub) Regional Economic Communities. Thus the units are seen as important building blocks whose eventual integration will constitute the AEC (9).

27. The Lagos Plan of Action directly led to the resurgence of integration groupings in various parts of the continent. These initiatives have been primarily similar to EU models and embraced the trade-based approach to REI. They have not been very successful in all cases, however (3,9,14,15). The more recent co-operation frameworks, guided by the Abuja Treaty, have incorporated aspects of the development approach, while retaining focus on market based integration. This is evident from the objectives of the Treaty, which are to:

-
- a) Promote economic, social and cultural development and the integration of African economies in order to increase economic self-reliance and promote an endogenous and self-sustained development;
 - b) Establish, on a continental scale, a framework for the development, mobilisation and utilisation of the human and material resources of Africa in order to achieve a self-reliant development;
 - c) Promote co-operation in all fields of human endeavour in order to raise the standard of living of African peoples, and maintain and enhance economic stability, foster close and peaceful relations among member States and contribute to progress, development and the economic integration of the continent; and
 - d) Co-ordinate and harmonise policies among existing and future economic communities in order to foster the gradual establishment of the Community.

28. One of the key non-market based strategies of the Abuja Treaty is the harmonisation of national policies in order to promote Community activities, particularly in fields of agriculture, industry, transport and communications, energy, natural resources, trade, money and finance, human resources, education, culture, science and technology.

29. Thus, although the Abuja Treaty does not deal with the development of mineral resources in a comprehensive manner, it provides guidelines in Article 56 in which the member States are requested to:

- a) exchange information on the prospecting, mapping, production, and processing of mineral resources;
- b) co-ordinate their programmes for the development and utilisation of mineral resources;
- c) promote inter-industrial vertical and horizontal linkages among member States;
- d) co-ordinate positions in all international negotiations; and

-
- e) implement joint training programmes to develop the human resources and appropriate local technological capabilities for the exploration, exploitation and processing of minerals.

4.1.2 Common Market for Eastern and Southern Africa (COMESA)

30. The Common Market for Eastern and Southern Africa (COMESA) was established as the Preferential Trade Area of Eastern and Southern Africa (PTA) in December 1981 within the framework of the Lagos Plan of Action and the Final Act of Lagos. PTA was intended to be a trade-focussed building block within the efforts of achieving a continent-wide African Economic Community. Hence its original objectives, and those of COMESA, have evolved around trade liberalisation including removal of tariff and non-tariff barriers, fiscal and monetary harmonisation, and trade facilitation and promotion. Additionally, complementarity in transport and communication policies and systems, as well as in the industrial productive sectors, are part of COMESA's long term objectives.

31. Probably in line with its trade emphasis, COMESA does not have provisions dealing specifically with mineral resources development in its Treaty. The Treaty does contain provisions for co-operation in industrial development, development of energy and the development of natural resources. Nonetheless, the Industry, Energy and Environment Division has implemented several programmes related to the minerals industry, for example, the programme on the rehabilitation and upgrading of COMESA countries' metallurgical industries.

32. COMESA's policy organs are: the Authority, comprising the Heads of State; the Council of Ministers; the Intergovernmental Committee made up of Permanent Secretaries of member States; and Technical Committees whose major function is the preparation and monitoring of programmes of action on behalf of the Inter-governmental Committee. None of COMESA's technical committees, however, is devoted to mineral resources development.

33. In so far as COMESA does not have active mineral resources programmes, reference to its integration framework for mineral resources is limited in this report. However, the broader considerations contained in the report would be of relevance.

4.1.3 The Southern African Development Community

34. The Southern African Development Community (SADC), established in Windhoek in August 1992, arose from its predecessor, the Southern African Development Co-ordinating Conference (SADCC). The objectives of SADCC were to reduce the region's economic dependence on the outside world, especially on apartheid South Africa. This was to be achieved through collective self-reliance and co-ordination of investment in targeted sectors, particularly in economic infrastructure. A memorandum of understanding governed SADCC. In terms of economic co-operation theory, SADCC was a loose development investment co-operation initiative focussing in areas of public goods, such as infrastructure. Its institutional structure comprised a small headquarters based in Botswana and sector co-ordinating units and commissions spread across the member States. Each country co-ordinated a sector and assigned its civil servants to drive the process of integration through project management. This institutional framework simply embodied the means through which the objectives of the time were to be met.

35. The formation of SADC sought to eliminate the limitations of an unsustainable⁶ project-led approach to economic co-operation, which had provided little opportunity for deepening the economic integration process. A SADC Declaration and Treaty, in 1992, followed by a Framework for Building the Community replaced the memorandum of understanding. In the new SADC,

⁶ Donors financed an average of 80 – 90% of total SADCC projects. With difficulties in member States in providing counterpart funds, many projects were often under resourced (15)

the central pillars and objective function of co-operation refocused on deeper economic integration on the basis of equity and mutual benefit⁷. The underpinnings of the objectives included harmonisation of macro-economic policies, providing for cross-border investment and trade, and free movement of factors of production, goods and services across national borders (15,17). SADC also recognised that regional integration was bound to impact on national sovereignty. Some decisions previously taken at national level would have to be taken regionally while national decisions would give consideration to regional circumstances. This recognised, in principle at least, the significance of some form of subsidiarity and supranationality. This is further supported by the recognition that integration activities would take place at various levels within SAR (17).

36. SADC also recognised the need for wider consultation of stakeholders. This was to be achieved through a community building process in which stakeholders and nationals participated in the development of protocols to give the process of economic integration greater constituency. Significantly, the treaty explicitly mentions the objective of regional integration as distinct from co-operation. These actions effectively upgraded SADCC from a co-operative forum to SADC, an institutional platform for building an economic community. To give effect to these objectives, SADC recognised the need for political commitment and effective institutions and mechanisms. It required member states to create appropriate institutions and encourage existing ones to develop ties for deeper co-operation and integration.

37. SADC's institutional organs at the policy level include: the Summit comprising the Heads of State; the Council of Ministers of Foreign Affairs; and the Standing Committee of Officials composed of their Permanent Secretaries. At the operational level, the SADC institutions continue to be the Secretariat, the

⁷ The objectives stated here are not a complete listing of SADC's objectives. A complete listing of SADC's objectives can be found in the Treaty (18).

Sector Co-ordinating Units (SCUs) and the Commissions. Member States' appropriate ministries manage each of the latter two with the Secretariat fulfilling a broad policy co-ordination role among the Commissions and SCUs. SADC has an organ to oversee activities in minerals development, the SADC Mining Sector Co-ordinating Unit (SMSCU). This is viewed as the most successful mineral resources development sub-organ of any regional integration group due to its extensive programme of action and focused organisational structure. The structure comprises six subcommittees consisting of national experts from the SADC countries. The sub-committees are:

- a) the geology sub-sector responsible for the development of geoscience data management systems;
- b) the mining and marketing sub-sector which advises small scale miners on mining and marketing strategies and promotes the mining sector in Southern Africa;
- c) the mineral processing sub-sector which assesses the processing capacity with a view to rationalising and optimising the use of these facilities in the subregion;
- d) the environmental sub-sector which, over the past few years, has developed a programme to assess pollution and formulate measures to reduce the impact of pollution on the environment;
- e) the human resources development sub-sector responsible for promoting the efficient use of available human resources development institutions;
- f) the information sub-sector, which is expected to sharpen the information networking function in the subregion.

38. Among the milestones achieved by the Unit is the signing, by the Heads of State in 1997, of the Mining Protocol. This is the first protocol on co-operation in mineral resources development of any subregional grouping in Africa. Although the SMSCU's achievements are noteworthy, a recent review of the overall SADC Programme of Action (SPA) concluded that the sector co-ordinating approach was characterised by considerable variance in capacities and capabilities (2). The main

recommendations of the review which were endorsed by the Summit at its meeting of September 1998 included change in the strategy and policy of SADC as follows:

- a) Realign the policies and strategies of SADC to reflect the principles and objectives of regional integration as contained in the Declaration and the Treaty;
- b) Reorientate the role of SADC to include policy formulation, co-ordination and harmonisation;
- c) Involve the private sector and other stakeholders in Community Building; and
- d) Adopt a standardised and coherent framework for SADC policies and strategies.

4.1.4 The Eastern and Southern African Mineral Resources Development Centre

39. The Eastern and Southern African Mineral Resources Development Centre (ESAMRDC) was established in 1987, with assistance from UNECA, with the objective of pooling resources for developing the mineral resources in the subregion. ESAMRDC is different from the above integration groups in the sense that it was established as a specialised agency to provide technical services to the subregional economic communities. This is reflected in its objectives, which are to provide for the benefit of the member States (19):

- a) advisory services upon request, in the preparation, planning, implementation and evaluation of geological services (prospecting and exploration) and mining projects;
- b) advisory services upon request, relating to technical and economic pre-feasibility studies for the development of mineral resources;

- c) short practical courses in the field of applied geology, geochemistry, geophysics, hydro-geology and mining engineering designed to complement the training provided by universities and other appropriate institutions;
- d) specialised laboratory services to support mineral exploration and mine development and to supplement national laboratories in the member States; and
- e) services for collecting, processing and dissemination of data and information, including the publication of maps.

40. Initially based in Dodoma, and since 1991 in Dar-Es Salaam, the ESAMRDC's policy structures comprise (19):

- a) the Governing Council of Ministers responsible for mineral resources development of each contracting State. The Council prescribes the general principles and policies for operating the Centre;
- b) The Executive Board consisting of senior government officials, at permanent secretary level, from each member State. The Executive Board gives operational effect to Council decisions and advises Council; and
- c) The Secretariat comprising the Director-general and staff.

41. Owing to its origin as an ECA sponsored institution, the Executive Secretary of ECA sits on the Governing Council and is the Chairman of the Executive Board.

42. The traditional *modus operandi* of ESAMRDC was that it executed technical projects in, and on behalf of, member states in return for contributions from them. The irregularity of contributions meant that in practice, the Centre suffered from severe financial difficulties and struggled to build the full complement of expertise required to fulfil this mandate. This recently led the Centre to review its mission, products and services with the objective of transforming itself into a self-sustaining applied research and development enterprise, managed much along business-like principles (20). In line with this,

the Centre has added a Board of Directors to its intergovernmental organisational structure. The new Board of Directors includes representatives from donors and the private sector. It is hoped that this will improve its impact as well as interface with the private sector, the main consumers of its products. Under the new vision, the Centre hopes to strengthen its partnerships with universities, public and private sector research institutions, ECA, SADC, and COMESA in order to broaden its customer base and the range of services it can provide.

43. Notwithstanding its difficulties, the Centre established in 1992 well equipped modern laboratory facilities and is now able to provide services in industrial minerals applications, geo-information processing and management, chemical laboratory, mineral processing, mineralogy/petrology/gemmology and engineering geology.

4.1.5 National Institutions of Co-operation

44. There are many national institutions in Southern Africa, which have competencies to play an effective role in economic co-operation activities in mineral resources development. Generically, they fall into three broad categories: facilities for human resources development, technology-based R&D institutions and centres for mineral policy studies.

45. Human resources development facilities are not well distributed in Southern Africa with the exception of those which offer training programmes in geology. Facilities for metallurgy and mining programmes are, however, located in only a few of the major mineral producing countries, notably South Africa, Zambia and Zimbabwe (4).

46. Research and development facilities, particularly those operating at the frontiers of knowledge, are not commonly available. The exception is South Africa where the Atomic Energy Corporation, Mintek and Miningtek provide

innovative mineral industry technologies and processes, which are globally competitive. In Zimbabwe, research activities leaning towards the small-scale mining sector takes place at the Government Metallurgical Laboratories and the Institute of Mining Research (1).

47. Dedicated centres for the study of mineral policy are not available. The only facility of this type is the Mineral and Energy Policy Centre in South Africa. This is an autonomous institute, which aims to provide well-assessed and researched policy options through consultative mechanisms. Current programme thrusts include small-scale mining, capacity building and situating energy and mineral policy in the broader economic and industrial policy. The paucity of education and training, and research and mineral policy institutes suggests the need for structures which integrate their competencies into REI activities.

48. A thriving subregional mineral sector also requires the participation of other development actors. These include, for example, chambers of mines, labour groups and other mineral-related associations. Chambers of mines, small-scale miners associations and professional associations are generically private-sector-based groups formed to advance the interests of their constituents. These groups are well represented in Southern Africa, especially in the main mining economies including Namibia, Tanzania, South Africa, Zambia and Zimbabwe. At the national level, these groups can be useful interventionists in a number of areas such as mineral policy evolution, Government/union negotiations, human resources development, promotion of health, safety and environmental well-being, and the general expansion of the industry's knowledge base.

49. In so far as these groups are critical to developing the mineral resources of the subregion, their role and participation in regional economic integration requires formal institutional structures which would enable them provide effective partnerships to both national governments and regional units charged with integration activities.

5 FINDINGS OF THE STUDY

50. The findings of the study have been grouped under several headings. In so far as the findings are interrelated, they are at times referred to under more than one heading.

5.1 Knowledge of existing structures and instruments

51. The majority of people interviewed were not familiar with the formal structures of REI schemes in SAR and how these fit into the continent-wide frameworks. In fact, many people interviewed had never seen the following instruments of REI:

- a) The Treaty Establishing the African Economic Community, the relevant protocol on Energy and Minerals which contains guidelines for co-operation in these sectors, and the precursor instruments such as the Lagos Plan of Action;
- b) The Declaration Treaty and Protocol of the Southern African Development Community;
- c) Agreement Establishing the Eastern and Southern African Mineral Resources Development Centre; and
- d) The COMESA Treaty.

52. A number of people, however, expressed knowledge of the SADC Mining Protocol; this was probably due to the relatively wide participation, during its formulation. Many organisations representing both large and small-scale mining expressed satisfaction with the spirit and intent of the protocol but had some reservations about its implementation. This is elaborated later.

53. The lack of knowledge of the construction of REI in SAR was most conspicuous outside the public sector, especially in the private sector,

universities, and NGOs. However, even within the public sector and integration organs, few people knew the contents of, or had actually seen the above instruments.

54. The level of understanding of the instruments for REI among constituencies whose support is key to REI initiatives is foreboding. As a result, there are apparent misconceptions about the relevance of the documents. One key misconception, for example, is the view that instruments such as the Abuja Treaty and the Lagos Plan of Action are documents which were produced by scholars and put on shelves. Some people actually felt that these instruments have been imposed on member States without explanations of the spirit and intent of the treaties. Their implementation appears not to have been matched by a high degree of commitment and a well-benchmarked route.

55. It is clear therefore, that both SADC and COMESA, in partnership with ECA and OAU, need to do more to sell the agenda for REI in the region, especially with respect to providing more effective guidance and follow-up work to give the Treaties form and effect. COMESA and SADC have both expressed these concerns before during ECA consultative missions to member States (21).

56. The transformation of ECA, embarked on by the member States in 1996, is a good proactive approach. The main objective of the changes is to provide the member States with increased intellectual leadership, effective partnerships and the networking of best practices. As part of the transformation, the SRDCs are increasingly programming their work with the activities of the regional integration organs as the reference point. As part of these efforts, ECA and its southern African SRDC should aim at disassembling the Abuja Treaty and relate it to the activities of integration in SAR. This would create greater understanding of the treaty on the ground. These efforts will need to be well resourced and sufficiently focussed to meet the many challenges of REI in SAR.

5. The consultative structures

57. The overwhelming opinion of people interviewed was that the structures for consultations in REI schemes in SAR are not fully developed. This may be captured from the following comments they made during the missions:

- a) *"SADC is predominantly government to government co-operation, there is a need for equal participation and engagement by the private sector and other stakeholders as equal partners at all levels";*
- b) *"The national consultative process must include technical people, scientists, policy makers and the private sector";*
- c) *"There is need to develop a consortium approach especially through exploitation of competent and effective local partnerships";*
- d) *"Universities, which can contribute a think tank capacity to REI, have to be consulted".*

58. At the national level, ad-hoc consultations with stakeholders take place but they are irregular and infrequent. The private sector, universities, NGOs and civil organisations are often not invited to meetings by government departments. A consultative platform is required to provide regular structures for mobilising the collective experiences and competencies of key development actors in the mineral industry, as well as those who are directly affected by mining activities, through an advisory board whose members represent a diversity of mining constituencies, each representing a sub-consultative structure of its own so that the views brought to the advisory board are consensual and reflect the competency of the constituency.

59. Examples of national constituencies in SAR have been given earlier. They include: chambers of mines, small-scale miners associations, mine workers unions, mineral-based research institutions and departments of mining at national universities.

60. Comparison to the above model suggests that the national consultative structures in SAR are incomplete. It appears that none of the member States has an established plural national mining advisory body. In Tanzania and South Africa, the establishment of mining advisory boards to advise the Minister of Mines on matters pertaining to the development of the mineral sector are still being planned. In the latter country, several thematic committees of a tripartite nature (between government, labour and employers) exist, but are not a national mining advisory board. In Zimbabwe, the existing Mining Affairs is generally considered by stakeholders as insufficiently structured. Opinions in that country point to the need for a national body comprising of mining operators, end-users, government officials, the financial sector and other stakeholders. The Botswana Mining Council, a private sector-driven organisation with representation from organised labour, employers and government, is not a plural national advisory board.

61. A major constraint in constructing advisory boards is that chambers of mines, small-scale miner's associations and mineral and skill-specific interest groups are not common in all countries in SAR. Chambers of mines exists only in Namibia, South Africa, Tanzania and Zimbabwe. A further chamber of mine is planned in Zambia when privatisation is more complete. National small-scale miners associations exist in various forms, in Namibia, South Africa, Tanzania, Zambia and Zimbabwe. Mineral and skill specific associations are predominantly present only in South Africa, and to a lesser extent, Zimbabwe. The absence, in some countries, of these national interest groups, which are formed to primarily mobilise consensus among members with respect to key industry issues, subtracts from the consultative process both at the national and subregional levels.

62. The study also found a significant lack of consultations within national ministries for mining. Officials tasked with supervising the process of regional economic co-operation and integration do not often meet with colleagues to discuss national strategies for regional co-operation and integration. For

example, many SADC mining sector contact representatives from member States attend meetings often without prior consultations with colleagues. Decisions arising from the meetings are often not communicated broadly within the ministry. A number of people interviewed attributed this to the "part time" approach to regional economic co-operation efforts in SAR. Contact persons have other full time jobs. This substantially subtracts from their attention to regional co-operation activities. A notable exception is in South Africa, where the Department of Energy and Minerals has a full time co-ordinator for international co-operation.

63. Well-defined and working national structures are sine-qua-non to an efficient consultative platform for co-operation and integration at the subregional level. The weaknesses cited above, however, work to subtract from this platform. The main effect is that participation in regional integration initiatives by stakeholder constituencies is not developed. For example, interaction among the few universities with faculties in mineral resources disciplines is minimal and ad hoc. Yet there are many areas in which some form of a university network would enhance co-operation. These include: exchange of students, joint research and post graduate programmes, joint curriculum development and sharing external examiners. Like the universities, other knowledge centres in the SAR region are not involved in any significant co-operative activities. This includes the various research institutes and NGOs working in the mineral sector. In all the cases, formal structures for their participation are not developed. The national interest groups, if organised into some form of regional collaborative networks, would constitute effective forums for contributing to regional co-operation and integration in SAR. Most of them cited funding as the main factor inhibiting their participation in REI.

64. An exception to this general situation is the newly formed Mining Industry Association of Southern Africa (MIASA). MIASA's constituency is the national chambers of mines, where they exist, and departments of Chambers of Commerce and Industry, where there is no national chamber of mines. Its main

objective is to be close to SADC structures for regional policy formulation at the ministerial level. The main focus of MIASA activities is to:

- a) Participate in the delivery and rationalisation of education and training by removing restrictions and avoiding duplication;
- b) Facilitate information gathering and dissemination among members;
- c) Policy advocacy to ensure mining policies are conducive to national and cross-border private sector investment; and
- d) To participate in the formulation of common standards on industry issues such as labour, health and safety and environment.

65. As noted in chapter four, the ESAMRDC has included the private sector and other stakeholders in its board of directors. Some progress is therefore being made towards involving the private sector in regional integration activities. This represents an important recognition that regional economic co-operation and integration activity would be incomplete without the active participation of industry, the perceived engine for growth. Although MIASA's intention is to interact at ministerial level, the major part of opinions, including that of the SADC secretariat (26), feel that more leverage can be obtained from MIASA at technical meetings, rather than in Ministerial meetings.

66. MIASA's formation is a welcome and long overdue development. It is important to realise, however, that it represents only one constituency. There are other constituencies, which need to be brought on board. Obvious examples are the small-scale miners associations and labour groups in the subregion. Efforts to organise themselves into subregional agents for economic co-operation and integration have not been as successful due to their weaker financial base relative to their corporate cousins.

67. The weak national and subregional consultative process for REI in SAR has meant that regional co-operation has largely remained the realm of a small technocratic elite in the governments of member States. This is well exemplified

by the dominance of the inter-government nature of the institutional organs of co-operation and integration described in chapter 4. Outside government departments, stakeholders do not even know the programmes for co-operation and integration, including the procedures which govern programme formulation. Even within most government mining departments, the consultative processes of project formulation in the SMSCU are not fully understood. The result has, therefore, been a programme portfolio which the main implementers, the stakeholders, are neither comfortable nor familiar with.

68. A negative manifestation of the weak consultative platform is that a number of member States prepare their mining policy without reference to other policies in the subregion. This has resulted in a number of country policies which are not harmonised, firstly among the countries and secondly to the strategic intent of regional co-operation and integration in SAR.

69. In summary, although notable progress is being made by SADC and ESAMRDC to involve the private sector in REI initiatives, much more work remains ahead to develop broader constituencies and partnerships for integration in SAR. Further consideration should be given to:

- a) Strengthening existing national stakeholder structures and, where they do not exist, promoting their formation; Governments should take a proactive approach in these efforts;
- b) The formation of plural umbrella national mining advisory boards or committees which would participate in shaping the national agenda for REI activities.
- c) Appointing full time national contact points for co-ordinating regional co-operation and integration activities, and managing the consultative process both within government and among external stakeholder bodies.

70. These measures have been pointed out in previous studies (1,2,5,6). They should result in increased participation in, and comprehension of, regional

integration programmes by stakeholders. In this respect the consultative decision-making processes and structures of the EU are instructive. The European Commission, acting with the European Parliament and Council, have the right to initiate Community policy. In practice, however, the Commission consults widely with interested parties from all economic sectors and civil society when preparing draft legislation. The EU's decision-making procedures are assisted by the Economic and Social Committee and the Committee of the Regions. Both are broad-based consultative forums which act in an advisory capacity. The Economic and Social Committee is an institutional vehicle representing the interests of economic and social groups in the member States. The Committee of the Regions comprises representatives from regional and local authorities from member States. Its main role is to focus on regional and local interests and bring them into the decision making process while ensuring that EU legislation is compatible with local problems (22). In addition to these consultative platforms, strong lobby groups representing the private sector and civil society groups surround the EU in Brussels. These structures ensure broad participation by stakeholders in the Union's activities and legislative decisions.

71. The issue of funding, one of the major constraints to building co-operative relationships, is addressed later.

5.3 Capacities and competencies for integration

72. The weak capacities for integration activities have been pointed out in a number of studies (1,4,14,15). The general conclusion of these studies has been that capacities within both the government mining departments, tasked with overseeing co-operation and integration activities, and the subregional economic integration units need improvement. It has been pointed out that REI requires sufficient capacity to design and implement regional policies and programmes, and to create a dynamic intellectual framework to continuously meet the challenges of integration.

73. Opinions on the ground point to the continuing nature of these weaknesses. Many of the people interviewed were of the opinion that the structures in the subregional units generally lack capacity to implement a shared vision for mineral resources development in SAR.

74. The major weaknesses identified were mainly in the areas of:

- a) Strategic programme and project portfolio management;
- b) Capacity for long term policy planning and focus on the REI process which limits a rigorous assessment of the direction of integration in the mineral sector of SAR; and
- c) Analytical skills to understand key macroeconomic issues which impact on the well being of the industry.

75. However, not all capacity weaknesses were attributable to human skills and competencies. More than that, the incapacities were viewed as an extension of the weak funding base of integration activities. Key to this is the broader financial distress of many of the member States due to the economic difficulties they face. The effect has been that sector co-ordinating units, including the SMSCU, are generally insufficiently funded except in only a few cases. Additionally, the unavailability of funds prevents the recruitment of qualified manpower while imposing severe limitations on improving the skills of those already employed.

76. The lack of capacity in integration activities is exacerbated by the inability to fully exploit capacities available in the subregion as a whole. Many of the organisations identified in chapter 4, as well as the mining companies, have core competencies to make meaningful contributions to integration activities. However, there is a general lack of awareness of the available core competencies both among the development actors themselves and among government officials supervising integration activities. In the interviews, knowledge of the

subregional facilities, which had the greatest potential to play a critical role in integration in mining, was tested. Many of the respondents were ignorant of non-national facilities and the competencies resident in them.

77. To fully engage the capacities of economic actors as catalysts in regional integration programmes, it would be helpful to define their role in, and potential contribution to, co-operation activities. The separation of roles of the various development actors should therefore form the first stage to a fuller utilisation of the wider competencies available for integration activities. In a test of the perception of roles of development actors, the following were some of the responses:

- a) SADC – *“policy co-ordination and harmonisation. SADC should also play a strong monitoring role of REI as well as funding of REI initiative”*;
- b) Government – *“is a facilitator, and plays a monitoring and regulatory role. Government is also the custodian of national interests in REI initiatives but not at the exclusion of the other actors. Governments facilitate investment in infrastructural resources and co-operation in the use of infrastructure”*;
- c) Private Sector – *“exploitation of mineral resources; transfer of technology to maximise extraction efficiencies; partnerships in bringing and building new technologies, capacity building and skills transfer”*;
- d) Private sector associations – *“co-ordination of activities of members to leverage their opinions, in partnership with those of Government, in the development of the industry”*;
- e) Development Agencies and International donors- *“leveraging their resources in capacity building and exchange of best practices, but should not participate in policy evolution. They should act more in an advisory capacity due to their transient nature of their stay in SAR. The participation should be at the operational and not policy levels”*.

78. These perceptions closely mirror the generally accepted contemporary notions⁸ of the separation of roles of the respective development actors in the mineral sector of SAR. (5,6). Hence it can be concluded that there is nothing wrong with the way the respective roles are perceived. Rather, the weakness lies in the inadequate knowledge of the resident competencies, and the presence of appropriate structures and instruments for their deployment in integration programmes. The first step, therefore, in exploiting these competencies is to define what potential value added they could provide to integration activities and thereafter create institutional structures for their dispersion into integrating activities.

79. There may be lessons to be learnt from the EU integration model. The tasks and competencies of the European Commission, as those of the other EU structures, operate within specific guidelines in which the principle of subsidiarity is enshrined in the Maastricht and other predecessor treaties. The EU creates policy only in those areas in which it has competency and is better placed than individual member states to take more effective action. The principle of subsidiarity enables the EU to find the right level for attaining effective action on a specific issue of integration so that its own actions provide value added to those of its nation states. In this way, it allows for the distribution of competencies between national and regional efforts of integration, thus promoting complementarity. Regional integrating organs in SAR need to sharpen their focus firstly, as policy facilitators whose major role and competencies lie in designing policies and instruments, which allow the dispersion and use of competencies at the operational level in the member States. Secondly, their integration instruments in SAR would benefit from well-

⁸ See for example the detailed treatment of the roles of the various development actors in: ECA, "The Role of the Private Sector and Other Development Actors in Strengthening Subregional and Regional Co-operation in the Development and Utilisation of Mineral Resources in Africa", 1997 (5) and ECA, "The Role of Governments in Strengthening Subregional and Regional Co-operation in the Development and Utilisation of Mineral Resources in Africa", 1997 (6).

defined clauses of subsidiarity⁹ if non-governmental competencies were to be fully exploited.

80. This view was strongly supported by those interviewed in the field. However, the commonly held view was that such institutions should be used on a cost-to-benefit basis, addressing the practicality and need for the integration activities. It was suggested that SMSCU should have a central role in co-ordinating the use of the facilities. However, it was felt strongly that ownership of the organisations should remain national.

81. Although these field opinions respect the principle of subsidiarity, this position calls for a careful approach in SAR due to the uneven distribution of facilities and therefore greater disparities in comparative competencies. Disagreements arising from the notion of strengthening non-national institutions at the expense of national ones, would increase polarisation. Some counterbalancing mechanism would be required to compensate for the perceived loss of opportunity to create national competencies. It is, therefore, important to create a sense of partnership in which collective benefits and common destiny are embedded, rather than emphasise purely commercial gains.

82. In as far as the private sector is concerned, their view is that they have the capacity to participate more fully in REI but do not have the collective knowledge of the entry points. They argued that they already do participate in many activities of integration, including cross-border investment, trans-border human resources development through providing scholarships and the funding of research activities⁹. They emphasised, however, that their participation is driven by business costs and benefits, and that intergovernmental co-operation

⁹ In South Africa, industry and the Chamber of Mines provides significant support to education and training institutions in the form of subventions for lecturers, funding research centres and programmes, and providing scholarships. The chamber's support is of the order of US \$5 million per year. Nearly all students in mineral resources programmes are industry sponsored while the rock engineering research centre at the University of Witwatersrand is funded by industry (1,4).

must fully recognise this. They would consider funding integration-based activities of research and development, and human resources development as long as this was in their business interests. Incentives for them to participate in such networks would provide added stimuli.

83. Furthermore, they feel that, at the operational level, resources can be tapped more widely by creating a policy framework, which promotes large wealth generating projects, in which there are multiple partners¹⁰. The key to tapping private sector capacities, both in terms of human and material resources, therefore lies in the nature and form of activities of regional integration. These must clearly be programmes the private sector identifies with and in which beneficial business interests are clearly visible. In their view, the problem is not one of a shortage of material resources as much as that of increasing the relevance and alignment of integration programmes to business interests.

84. The major issues of capacity which require attention may be summarised as follows:

- a) In both national governments and subregional integration groupings, there is an urgent need to secure increased capacities especially with strategic economic policy planning skills, and programme portfolio management and co-ordination. Within the subregional structures, many people felt that the skills mix should attempt to draw in people from the private sector. Traditionally, regional integration units have drawn their manpower from government sources. There is also a need for well-focussed and targeted human resources development in areas which will benefit the integration process. A general precondition, which was emphasised, was that

¹⁰ The ECA report on the Integration of South Africa into Southern Africa (1) gives several examples of wealth generating projects. These include the Hot Briquetted Iron and Heavy Mineral Sands projects, both based in Mozambique. A further example is the Mozal project, also in Mozambique, which will produce aluminium metal from imported feed stocks and will cost over a billion dollars when complete.

appointments in the Secretariats need to be de-politicised and linked to key performance criteria aligned to overall integration objectives.

- b) There is need to widen the competence base of integration activities through a well-defined recognition of the principle of subsidiarity. For this to happen, a critical balance needs to be struck between national and subregional competencies coupled with clear linkages between the roles of various development actors and mechanisms for participating in specific programmes of integration. A clear appreciation of the broader competencies resident in SAR institutions and their comparative advantages would be required.
- c) Member States would still need to fund the major cost of integration, especially in respect of administrative costs and in areas which yield public good. This cost however, can be substantially reduced for operational programmes in which the benefits to the private sector are clearly visible.

5.4 Common interests, benefits and political will

5.4.1 Common interests and benefits

85. In view of the centrality of common interests and benefits to REI, the study devoted considerable time to perceptions of these issues in the mineral sector of SAR. The commonly held view was that costs and benefits should drive REI focussing on areas of comparative advantages. Although the distribution of benefits was key to attenuating REI initiatives, there was an implicit understanding by those interviewed that benefits are never equal in REI. The major issue is whether all countries are better off within REI groups or outside. There was therefore an understanding that some sacrifice of national benefit is inevitable.

86. Despite this, national sovereignty issues loomed large in perceptions of REI in the mineral sector of SAR. The fear of being dominated by bigger economies was real. To reduce this fear, some people suggested the need to geographically spread facilities and integration competencies in the region. This

would avoid what they termed as the "bambazonke"¹¹ syndrome where all facilities and competencies are concentrated in one country.

87. From these concerns, it is obvious that there is need to more critically address the ownership of the process and institutions of integration. In so far as institutions and processes are only a means towards fulfilling a vision, a good starting point appears to be an examination of the vision to be served by integrating the mining sector in SAR. The following elements were perceived as important to the vision:

- a) *"Optimise resources and opportunities allocation to allow for development from resources available in the subregion";*
- b) *"Maximise the benefits of national comparative advantage to the region";*
- c) *"Industrialisation with equity. There must be a social dimension to economic development in which there is upliftment in the standard of living";*
- d) *"The mineral industry must be situated within a coherent vision of REI in which regional institutions are the central drivers";*
- e) *"Mutual (collective) development through a pooled resources approach which maximises efficiencies and minimises duplication";*
- f) *"To achieve minimum levels of collective economic growth and leverage the benefits accruing from the mining industry towards achieving that growth";*
- g) *"Upliftment of poorer countries for the benefit of both rich and poor countries";*
- h) *"Unrestricted movement of capital and labour across frontiers".*

88. It is of interest to note that these perceptions are not significantly different to the overall SADC objectives or those of ESAMRDC. Furthermore, these perceptions are entirely consistent with the objectives of the African Economic Community outlined earlier. Notwithstanding this, many people felt that the alignment of REI activities to objectives and the long-term vision of REI is poor.

¹¹ Bambazonke literally means a grab all process or attitude

There are no clear links of activities to the delivery of the long-term vision and objective function of REI. The inability to translate the vision into discreet value-adding activities and goals was ascribed to the fact that the development of the mineral sector is not properly situated within the vision of REI. Symptoms of this are the weak relevance of integration programmes and inadequately developed opportunities for exploiting national complementarity.

89. Many people felt that the strategic goals of REI should be restructured to provide for more alignment with the vision of integration. A further opinion expressed, especially by industry, was that co-operation needed to be all embracing and consider other sectors, which impact on the mining industry, such as energy and transport. It was argued that progress is required in these sectors to add synergy to efforts of co-operation and integration in the mineral sector. This view is similar to the recommendations of the SADC Review and Rationalisation study to reconstitute the SADC programme of action into across-sector structures for REI.

90. The above considerations point to the need to define areas of common interest and benefits more critically, or as was the case with the EU, the cost of not co-operating. As Granell (11) points out: *"In the EU, the creation of a single market stimulated wide debate on the "cost of non-Europe" seeking to establish the cost...and benefits... and the impact in representative sectors of the community's service and manufacturing economy. Besides the studies conducted by the European Commission... many independent researchers made appraisals of the benefits of market integration... The Commissions studies produced figures that demonstrated the heavy costs and immense opportunities which the internal market would create"*.

91. In contrast to SAR, the understanding of common interests and benefits remain blurred in aggregated notions of mutual benefit. A useful start to the disaggregation of common interest and benefits is a clear understanding of the constraints to be removed by REI in the mining sector of SAR. Perceptions of

the major constraints hindering REI and general growth in the mineral industries of the region were solicited. The responses included:

- a) *"Lack of common understanding of REI issues";*
- b) *"Lack of human and financial resources. Poorly equipped and staffed local support facilities. Funding of facilities is an interminable problem. Low incomes in the public sector undermine REI initiatives";*
- c) *"Qualitative and quantitative deficiencies in the skills complement available in the subregion";*
- d) *"Weak financial support of REI initiatives. There is need to link activities to a firm fiscus"*
- e) *"Lack of dialogue among various stakeholders coupled with poor information flows. Many institutions work on an individual basis";*
- f) *"Poor implementation of environmental health and safety standards";*
- g) *"Lack of mining technology especially the capacity for development of competitive technologies";*
- h) *"Difficulties associated with working within national mining regulatory regimes and generally poor economic infrastructure which adds to the cost of doing business".*

92. These constraints, though not exhaustive¹², were used to discuss areas perceived to be of mutual interest in the mineral sector of SAR and in which regional actions would yield the maximum leverage to integrating activities. The areas, which emerged from the discussions, were:

- a) *"Sharing of human resources development facilities to develop a pool of skilled cadres for the regional mining industry through co-operative training";*

¹² A listing of the growth constraining factors in the mineral sector of SAR is given in ECA, "Issues for an Action Plan to Develop Africa's Mineral Industries During the Period 1998 - 2007 Through Subregional and Regional Co-operation", 1997 (23).

-
- b) *"Harmonising environmental, health and safety legislation and standards";*
 - c) *"Harmonisation of key elements of macroeconomic policy, such as taxation to promote cross border investment";*
 - d) *"Harmonisation of the regulatory framework for mineral resources development such as mining codes in relation to best practice elsewhere";*
 - e) *"Developing competitive technologies for the minerals industry to ensure Southern Africa as a whole has a continuing globally competitive mining industry particularly in mineral assemblies from the subregion";*
 - f) *"To provide for a transfer of skills and expertise across Southern Africa";*
 - g) *"Trade promotion for mineral products from the subregion";*
 - h) *"Strengthening the small scale mining sector";*
 - i) *"Improving information flow to stakeholders on REI activities";*

93. The above views provide a basis for formulating strategic goals and objectives for REI in the mineral sector of SAR. It is interesting to note that most of the above areas have been identified as key areas of attention by the subcommittees of the SMSCU. Furthermore, most of them are contained in the SADC Mining Protocol. It can therefore be argued that the current SMSCU programme of action and the Mining Protocol contain elements which fit the current perceptions of the vision of REI in SAR, despite the opinion that REI objectives are not in line with the vision. The main weakness lies in the role of the SMSCU to formulate goals and strategic policy guidelines which govern the manner in which the above listed objectives of REI are to be fulfilled. There is probably a lesson to be learnt from management consultants who insist that strategic goals and objectives must always be SMART (i.e. they must be Specific, Measurable, Actionable, Realistic and Time-bound).

94. In summary, it can be concluded that the issue of common interests and benefits is not necessarily one of redefining the vision and objective function of integration. More important, it is the disaggregation of the perceived areas of common interest into elements of clearly defined benefits and costs. There is therefore an urgent need for the SADC Mining Sector Co-ordinating Unit to

undertake quantitative studies in which the above areas of common interest are better defined and used to support clearer goals and policy guidelines. This will help the salesmanship of REI in SAR and also allay national fears.

95. The salesmanship of the benefits and cost of integration is necessarily a SADC competence and not that of the member States. This is one area in which the EU's approach to rigorous assessment of the benefits of integration is an instructive lesson.

5.4.2 Is Political Will for REI sufficient?

96. The chorus of opinions was that political will was not sufficiently developed to drive genuine integration in the mineral sector of SAR. Among cases cited was that of ESAMRDC which was seen as lacking the consistent political will it needs to grow. Across the board, it was felt that the political agenda in REI in SAR placed excessive emphasis on national gains. There was a perceived reluctance to genuine REI initiatives due to national agendas while some people argued that countries in SAR engaged in REI because it was fashionable in other world regions.

97. As a further demonstration of the shortage of political will, proponents of this view pointed to the low number of protocols which have so far been ratified by SADC. Information available suggests that as at March 1998, only one (immunities and privileges) of some nine protocols had been fully ratified by the required number of countries to come into force. The state of the other protocols, with the number of countries which had ratified the Protocols (in brackets) were: Trade (three), Energy (seven), Mining (three), Shared Water Course Systems (six), Illicit Drugs (three), Transport and Communications (five), Education and Training (one).

98. Another example given to demonstrate the weak commitment was the lack of implementation of the recommendations of the SADC Review and

Rationalisation study which was undertaken more than two years ago (2). National workshops to discuss the recommendations of the report had been held as recommended by the report. Many of the national workshops had generally endorsed the recommendations. Although there is broad support for the recommendations, the lack of political will and strong national objections to the loss of co-ordinating sectors were cited as responsible for the lack of progress towards implementation.

99. These negative sentiments suggest that member States need to address perceptions of the flagging political will. Consequences of this are beginning to emerge. Some member States feel increasingly frustrated with the suffocating levels of political exigency at the expense of effective progress in REI activities. They have, therefore, officially adopted an attitude of restraint merely to keep peace and avoid friction in the region. Such attitudes cannot progress REI in Southern Africa. As Griffiths (12) has pointed out, institutionalised international co-operation can facilitate agreement even though they are used for issue-linkage to domestic agendas. There is always danger that this can overload the decision-making process. There is, therefore, a need to promote a consciousness of shared problems and a serious perception that joint resolution is both possible and desirable. There is need for member States to entrench structures and processes which promote a shared culture to frankly address the constraints inhibiting REI in Southern Africa and develop solutions which take into account national positions in a give-and-take manner.

5.5 Co-operation, co-ordination or integration?

100. This crucial question goes to the core of institutional structures and instruments for REI in SAR. The appropriateness of the formal structures is determined by the degree of co-operation acceptable to the member States, and the inter-relationships that must be created to fulfil the vision and objective of integration. Central to the question is the desired balance between the degrees of intergovernmentalism and supranationality. The current formal structures and

processes of co-operation in mineral resources in SAR are exclusively intergovernmental in character. There is considerable scepticism to the appropriateness of such exclusivity in the regional integrating frameworks. The following comments from interviews illustrate this point well:

- a) *"SADC structure is that for co-ordination and not building a community. Although it decided to move towards deeper integration through the creation of a Community, its structures remained that of co-operation through co-ordination which is typical of intergovernmental organisations. As a result, there needs to be broad consensus on all issues before decisions can be taken";*
- b) *"The Sector co-ordinating structure tends to subtract from the cohesiveness of integration efforts. Co-ordinators are accountable to national governments which pay their salaries. In times of conflict with the SADC secretariat, the governments protect the co-ordinators. This severely limits the Secretariat's control over sector co-ordinators and heavily politicises activities of integration";*
- c) *"Both the secretariat and the sector co-ordinating units suffer from a serious lack of authority and responsibility. There is need to provide as much autonomy to the secretariat as possible. Currently, the decisions of the secretariat can be overturned by sector co-ordinators or member ".*

101. Despite these negative views, the SADC Mining Sector Co-ordinating Unit has scored some noteworthy successes. The initial mining programme of action, which did not fully address regional issues has shifted emphasis to activities of a regional nature. To partially resolve the funding problem, the sub-committee structure described earlier was introduced to enable member States fund a large proportion of the activities themselves. Each sub committee is co-ordinated by a member country and comprises working groups of representatives from the other countries. Member States participate in working group projects of relevance to them. This has also helped to decentralise some of the activities of the SMSCU.

102. However, member States still have problems to financially support the sub-committee structure. Costs for the subcommittee structure include those required to implement the results of the working groups (such as printing and distribution of regional maps) borne by the host country and support for the participating working group members, borne by the participating country. A few of the subcommittees, notably those in Malawi, Namibia and South Africa, appear to be doing well. The Geology sub-committee, chaired by South Africa, has particularly done well¹³, due to the excellent support it receives from both the Council for Geoscience, its hosts, and the Department of Mineral and Energy Affairs, the parent Ministry.

103. The SADC Secretariat, whose view is that the mining sector is one of the best sector co-ordination structures in SADC, echoes these achievements. According to the Secretariat (26), 90 % of its programme is funded by the member States. The private sector is, through their chambers, beginning to participate in the activities of the Unit.

104. Aside from the above, a further positive aspect of the sector co-ordinating system often cited is that it has managed to forge a common spirit of identity in SAR. It is argued that this is important for consensus building as each country feels that they own a part of SADC. Sceptics, however, argue that the direct gains by governments from the sectors they co-ordinate are exaggerated in relation to the ineffectiveness of the system. It is further argued that the actual location of the sector is immaterial and simply creates unnecessary political friction. Other studies (15) have similarly argued that in so far as SADCC did little to change the material circumstances of its member States, it is difficult to enumerate the economic gains to member States outside areas such as the infrastructural sectors.

¹³ At the Mining Ministers Meeting held in Maputo in August, 1998, the subcommittee's progress was singled out as exemplary (25)

105. Given the above dilemma, the study sought opinions on the best formal structures, which should govern REI in mineral resources development in Southern Africa. A selection of the views expressed included:

- a) *"Need an institution, which is autonomous with its own identity. Currently the legal status is not well defined and the arrangement for REI is loose";*
- b) *"SADC should not be just another intergovernmental structure. It should first and foremost be a facilitating structure for deeper REI";*
- c) *"Small, decentralised REI units are more efficient. Decentralise process of REI into small cluster units based on distinct activities or themes or networks. The mining unit should be revisited to improve interface with professional networks";*
- d) *"SADC should move towards fully funded directorates or commissions which would be responsible for decentralised co-operation at the professional and technical levels";*
- e) *"To maintain ownership of SADC, national contact points should not only stay but should be strengthened".*

106. The above views help to identify elements of formal structures the member States are most comfortable with. The attributes of the structures are that there should be a strong and lean secretariat to which sufficient authority and responsibility to drive REI has been delegated. The transfer of the sector co-ordinating units to secretariat control is seen as mitigating against the current incapacities and political interference in sector co-ordinating structures, considered to be the Achilles of the present system. The part time national contact points should be replaced with full time officials who would be responsible for galvanising operations in networks at the national level. This would cater for the perceived "ownership" concept of SADC. A number of these notions are not new and have been suggested by previous studies (1,2,15).

107. What is interesting is the inherent desire to explore the concepts of variable geometry and some form of supranationality. The latter is implicit in the desire for some degree of autonomy to be endowed on the Secretariat and transfer of the SMSCU to the Secretariat.

108. With respect to the concept of variable geometry, it was argued that currently, mining in the SADC region was driven by several major mining economies; these are South Africa, Zimbabwe, Botswana, Zambia, and Namibia. These countries were perceived as having similarities in structural skills mix and a common understanding of industry issues. Given the differences in the stages of development in the minerals industry of SAR, these countries were perceived as better placed to form the core REI group in mining in the region. However, it was emphasised that the structures need to be flexible and sufficiently dynamic to accommodate new entrants as their own mining industry developed. The concept of variable geometry was further reinforced by the fact that the potential participating institutions and competencies in mineral resources are only present in some countries. Coupled with the non-uniformity in the distribution of mineral wealth, the argument for variable geometry in REI activities in the mineral sector of SAR was considered complete.

109. If the concept of variable geometry in the mining sector of SADC were to be attempted, it would be useful to further explore the issues of funding of the directorates, benefits and potential polarisation effects within the broader SADC group. A number of people felt that one avenue for funding the cost of integration in the mineral sector could require each participating country to apportion a small proportion of the economic rent from mining activities. This pool of funds, in addition to covering for administrative costs of the directorate for mining, would also partly cover costs of integration in key areas of common interest, such as research and development, human resources development, support for integration-related policy studies and environmental studies. As stated earlier, in so far as these issues are of interest to industry, it is quite likely that additional funding for specific operational activities could be secured from

the private sector. Whereas these options appear viable for larger mining economies, they may impose a burden on emerging mining economies. An extension to the above suggestion was to investigate the possibility of variable funding geometry, tied to the potential benefits accruing from integration activities in the mineral sector, possibly weighted to the role of mining in the national economy. As stated, these are issues which require further investigation.

110. With respect to the notion of supranationality, there is little doubt that this was partly driven by the frustration of the perceived ineffectiveness of the SADC protocols. The overwhelming view was that SADC should move away from voluntary to a supra-national structure and instruments for which a defined legal framework is necessary. Many people interviewed felt that even if all member States ratified the mining protocol, it would still never work. It lacks a well-defined implementation framework and follow-up mechanisms, and that penalties for non-compliance do not exist. The spirit and effect of the protocol is weakened by a number of bilateral agreements which are seen as not being in harmony with the overall objective of REI in the mineral sector of SAR.

111. These difficulties are responsible for the clarion call for the mining protocol to be more binding than consultative. There is a strong feeling that it must further take precedence over bilateral treaties, and contain specific provisions for regulating activities and institutions of integration

112. Parallels with the EU model of integration suggest that these issues are complex and need much more inquiry before they can be implemented in SAR. In the EU, the main policy initiation and decision-making bodies, the Commission, Council and Parliament, are *"locked into a fixed and binding system of competencies based on specific conferment of powers. The terms of the treaties stipulate whether these bodies act at all, what measures and the procedural rules which must be observed. Supranationality manifests itself in the outcome of this decision-making process and how binding the decisions are on member States. For example, regulations are binding in their entirety while*

directives are only binding in outcome but not in the means" (22). In the EU model, decisions are also not necessarily consensual but of qualified majority in which veto rights may have limited effect. Finally European supranationality is underpinned by a strong European Court of Justice which ensures that the law is upheld in the interpretation and application of the treaties.

113. Yet even the EU operates both in intergovernmental mode and supranational mode. For example, the treaty which established the European Coal and Steel Community, although sectoral, was supranational. This superficially suggests that targeted supranationality, based on specific sectors, or themes within the mining sector, may be possible. Areas, which are fertile for supranational forms of co-operation, include: the broader aspects of the mining regulatory regime; areas critical to the competitiveness of the SAR mineral sector such as education and training, and research and development; and environment, health and safety. In so far as binding supranational forms of REI provide a sense of irreversibility, or permanence of integration activities, they promote confidence and security in the business sector to commit large amounts of investment. In mining, this is critical due to the high inherent risk and large capital expenditure characteristic of the industry¹⁴. However, the underlying support structures required for supranationality, including the legal framework, mechanisms for implementation and arbitration, are all areas which should be explored and developed as appropriate.

5.6 What institutional framework for REI in mineral resources in SAR

114. The above findings have been synthesised into an organisational structure presented in Annex II. The main considerations for the proposal have been to:

-
- a) Provide for incremental change in which there is retention of structures which are working, such as the working group concept of the SMSCU, while reforming the weaker aspects;
 - b) Maintain focus on the key areas of common interest identified by the study - these are seen as the areas in which the sectoral directorate should develop resident policy-based competencies and provide a think tank capacity for regional integration;
 - c) Provide for the use of non-government capacities and competencies through working groups;
 - d) Strengthen the national and subregional consultative framework.

115. A sketch of the roles and responsibilities of the proposed structures would include the following:

Council of Mining Ministers

116. The Council would be responsible for maintaining the overall policy direction for integration.

Standing Technical Committee of Officials

117. This is the main technical advisory committee to the Council of Ministers. Its composition would be similar to the current one comprising permanent secretaries of mining ministries in the member States. However, it would also incorporate the national SADC mining co-ordinators due to their central role in REI activities at the national level. Its main function would be to oversee the operations of the Mining Sector Directorate.

¹⁴ A good description of risks and large capital expenditure inherent in mining projects is given in the ECA report "The role of the private sector and other development actors in strengthening subregional and regional co-operation in the development and utilisation of mineral resources in Africa" (5).

Advisory Council

118. The Advisory Council is a plural organ which would comprise mainly chairpersons of regional constituencies such as MIASA, labour groups, social groups, the financial sector and other regional constituencies. It would also include the chairpersons of the national mining advisory boards. It would act mainly in an advisory capacity to the Mining Sector Secretariat, the Standing Committee of Officials and the Council of Ministers.

Mining Sector Secretariat

119. This is a full time secretariat with competencies to plan, initiate, co-ordinate and supervise integration policy. It would consult extensively with both national and regional bodies of stakeholders, such as the Advisory Council and, through the national co-ordinator, national constituencies. It may establish working groups for operationalising activities of integration. The indicated subdivisions of the sectoral secretariat represent areas of competence based on perceived spheres of common interest for regional integration. They are not necessarily sections or departments.

Working Groups

120. These represent professionals drawn from the member States to work on specific themes or activities of integration. They could also represent professional networks (e.g. a group of universities), or singular institutions (e.g. a Research institute). In addition to strengthening the technical competence of the sectoral secretariat, they also represent bodies in which specific operational activities take place (e.g. human resources development or technical research). In this respect, technical institutions, such as the ESAMRDC and Mintek, would operate as part of the network. Where national institutions are unique and crucial to the operationalisation of integration, they could be subsumed as regional institutions, subject to further investigations into the collective strategic benefits they endow on subregional integration and the redefinition of instruments which would govern their operations.

National Mining Sector Co-ordinator

121. This is a full time employee of the ministry responsible for mining. His chief role is to co-ordinate national efforts for REI both within government and the outside sectors. He provides the secretariat for the National Advisory Board and, through his office, for the broader national constituencies. As national "chief executive" for national integration activities, he sits on the Standing Technical Committee of Officials.

National Mining Advisory Board

122. This is the apex body for national representation of plural constituencies including government, employers, academia, labour, the financial sector and associations with activities in the mineral sector. Its main responsibility is to advise government on all mining industry issues. This role is not necessarily restricted to regional integration in the mining sector.

123. The structures presented above are conceptual and were discussed in the field with a number of people interviewed. Refinements were incorporated as a result of these discussions. Thus the proposals represent current thinking and must necessarily be dynamic in nature to suit shifts in the objective of integration. The proposed institutional structures do not include all the issues raised in this report. Specifically, issues of variable geometry, subsidiarity, degree and form of supranationality are not included. As stated earlier, these issues require further studies.

6. RECOMMENDATIONS

124. Based on the findings of the study, the following recommendations have been made.

- a) The existing treaties for regional economic integration are generally not well known in the countries. Subregional integration organs, such as COMESA

and SADC, acting in concert with the Joint OAU/ECA/ADB Secretariat of the AEC need to do more to entrench the relevance of the treaties to subregional co-operation and integration. The Joint Secretariat should provide more effective intellectual guidance and follow-up work. These actions would give the treaties greater meaning on the ground.

- b) The participation of economic operators and other stakeholders in REI in SAR is still considerably weak. The weak consultative framework applies not only to external stakeholders but also within government and inter-government structures. To widen the consultative platform:
 - i. Governments should proactively promote the formation of national and regional forums for consultations. At both levels, an advisory board is recommended to provide for the plural participation of relevant constituencies;
 - ii. Full time national mining sector co-ordinators should be appointed. These would act as focal points for activities of integration both within and outside government mining departments.
- c) In both national governments and subregional integration groupings, there is an urgent need to secure increased capacities especially with strategic economic policy planning skills and programme portfolio management and co-ordination. The skill mix should attempt to draw in people from the private sector rather than exclusively from government sources. The capacities should be supplemented by well-focussed and targeted human resources development in the key areas of common interests.
- d) There is need to widen the base of the integration activities through a well-defined recognition of the principle of subsidiarity. For this to happen, a critical balance needs to be struck between national and subregional competencies coupled with clear linkages between the policy guidelines and operational activities. This would need a clearer appreciation of the broader

mining-related competencies resident in SAR, their comparative advantages and the instruments required for their constructive engagement. These areas constitute fertile ground for further studies.

- e) Evidence from the field suggests that the vision, constraints and areas of common interest are reasonably understood by the member States. They are also reasonably reflected in the structures and instruments for REI in SAR. However, there are major gaps in the strategic policy goals and guidelines for their achievement. The disaggregation of benefits is incomplete resulting in a persistence of national fears about the structural form of integration. There is a critical urgency to undertake quantitative studies in the key areas of common interests, to more critically define common benefits and costs of integration. This would allow for the formulation of clearer strategic policy guidelines and assist the salesmanship of instruments and structures of REI in SAR.
- f) There is wide support that the SMSCU should be brought under the control of the SADC Secretariat and be strengthened with competencies to initiate, direct and supervise integration policy in the mining sector of SAR. Consideration should, therefore, be given to control converting the SMSCU into a mining directorate.
- g) To provide for the funding of the directorate, the notion of a small levy from mining income from the mineral sectors of the member States should be investigated. This pool of funds, aside from covering the cost of administering the mining sector secretariat, should also be used to fund the cost of integration activities in key areas such as subsidising research and development and human resources development, and support for policy studies to strengthen regional integration in SAR.

-
- h) There is wide support that the concept of variable geometry be considered for integration activities in the mining sector of SAR. This stems from the recognition that mineral resources are not present in all countries of the subregion, and activities and competencies of integration are not evenly distributed. However, variable geometry needs to be flexibly applied so as not to exclude emerging mining countries. The implementation of the principle of variable geometry will, however, require further studies into issues of polarisation and its wider acceptability within the SADC region.
- i) There is overwhelming support that the mining protocol should be more binding and take precedence over bilateral instruments. It must also contain more explicit provisions for guiding integration activities. There is further support that the mining directorate be given more autonomy and responsibility. These issues involve limited forms of supranational co-operation. They require more exhaustive inquiry to explore the support structures required for their implementation.
- j) It is a normal phenomenon to advance national agendas in REI efforts. However, excessive national inward focus at the expense of collective solutions is detrimental to REI. There is therefore a need to promote a consciousness of shared problems and a serious perception that joint resolution is both possible and desirable. Member States must constantly seek to entrench structures and processes which promote a shared culture to frankly address the constraints inhibiting REI in Southern Africa and develop solutions which take into account national positions in a give-and-take manner.
- k) A conceptual framework for deepening economic integration in the mining sector of SAR has been presented. This framework is based on the findings of extensive field interviews in which it has been discussed with stakeholders. The framework is, therefore, a reasonably accurate synthesis of current

opinions in the mining sector of SAR. It should be seen as providing a basis for further discussions and refinement.

7. CONCLUSIONS

125. REI in the mining sector of SAR has made good overall progress. Nevertheless, the current structures are completely intergovernmental in character and are inadequate to deepen the process of co-operation and integration. Major weaknesses are also apparent in insufficiently developed consultative structures, fragile capacities exacerbated by non-use of aggregate subregional competencies, weakly developed guidelines for achieving the objective function of integration, and structures and instruments which do not provide for sufficient authority and responsibilities to subregional organs of integration. To achieve higher levels of integration, bold decisions to reform the institutional structures and instruments are required. The main thrust of the reform should be directed at widening the consultative platforms and reconstructing the structures and instruments to provide for increased subsidiarity, variable geometry and limited forms of supranational autonomy and responsibilities. These suggestions, however, require much deeper inquiry than the mandate of this study.

REFERENCES

1. Lusaka ECA-SRDC, *The Integration of South Africa into Southern Africa - A Mining Perspective*, 1997.
2. SADC, *Review and Rationalisation of the SADC Programme of Action*, vol. 1: Executive Report, 1997.
3. Mwase N and Raphael M., *Co-ordination and Rationalisation of Sub-Regional Integration Institutions in Eastern and Southern Africa*, COMESA/IDRC Research Network on Regional Integration, 1997.
4. Lusaka ECA-SRDC, *Assessment of Skill Deficiencies in the Mining Industries of Eastern and Southern Africa*, 1996.
5. ECA, *The Role of the Private Sector and Other Development Actors in Strengthening Subregional and Regional Co-operation in the Development and Utilisation of Mineral Resources in Africa*, 1997
6. ECA, *The Role of Governments in Strengthening Subregional and Regional Co-operation in the Development and Utilisation of Mineral Resources in Africa*, 1997
7. Lusaka ECA-SRDC, *Report on the Ad-Hoc Expert Group Meeting on Skill Deficiencies in the Mineral Sector of Eastern and Southern Africa*, 3 - 5 September, 1996, Harare, Zimbabwe.
8. Lusaka ECA-SRDC, *Report on the Workshop on Gemstone Development and Marketing Strategies in Eastern and Southern Africa*, 31 July - 3 August 1995, Windhoek, Namibia.

9. ECA, *Regional Co-operation and Integration: Realistic Avenues in the Next Millennium With Emphasis on the African Integration Process*, 1997.
10. Kennes W, *Introduction on Common Policies*, in EU-SADC Seminar on the Regional Integration Process, Brussels and Paris, 12-15 June 1995.
11. Granell F, *Growth of the EU Competencies: a Neofunctionalist Approach*, in EU-SADC Seminar on the Regional Integration Process, Brussels and Paris, 12-15 June 1995.
12. Griffiths R, *The Dynamics and Stages of European Construction, 1945-1995*, in EU-SADC Seminar on the Regional Integration Process, Brussels and Paris, 12-15 June 1995.
13. Sapir A, *The European Single Market*, in EU-SADC Seminar on the Regional Integration Process, Brussels and Paris, 12-15 June 1995.
14. Global Coalition for Africa, *Workshop on the Promotion of Regional Co-operation and Integration in Sub-Saharan Africa*, Florence, 26-28 February 1992.
15. African Development Bank, *Economic Integration in Southern Africa*, 1993.
16. Delors J, *Closing Address*, EU-SADC Seminar on the Regional Integration Process, Brussels and Paris, 12-15 June 1995.
17. SADC, *Executive Secretary's Report*, SADC/CM/2/96/12, 1996.
18. SADC, *Declaration Treaty and Protocol of the Southern African Development Community*, Windhoek, 1992.

19. ESAMRDC, *Agreement Establishing the Centre and Rules of Procedure*, revised edition, 1986.
20. Pedro A M A, *The Role of the ESAMRDC in the Promotion of Mineral Resources Development in Eastern and Southern Africa*, presented to the Regional Conference of African Ministers Responsible for the Development and Utilisation of Mineral Resources in Africa, Durban, 17-22 November, 1997.
21. Okello R M, *Report of Mission to Botswana and Zambia on the Role of the New ECA/SRDC for Southern Africa*, 1997.
22. European Commission, *Europe from A to Z: Guide to European Integration*, 1997.
23. ECA, *Issues for an Action Plan to Develop Africa's Mineral Industries During the Period 1998 – 2007 Through Subregional and Regional Co-operation*, presented to the Regional Conference of African Ministers Responsible for the Development and Utilisation of Mineral Resources in Africa, Durban, 17-22 November, 1997.
24. SADC, *Executive Secretary's Report to Council*, Maputo, January 1998.
25. SADC, *Communiqué, Mining Minister's Meeting*, Maputo, 31 July, 1998.
26. *Interview with SADC Secretariat, Gaborone, March, 1998.*

Annex I Record of Visits

Name**Organisation****Botswana**

Mr B, Thamage, Principal Mining Engineer

Department of Mines

Mr K Abi, Mineral Processing Engineer

Department of Mines

Mrs N Gaetsewe, Principal Economist

Ministry of Finance/Economic
Planning

Mr W J Mandlebe, Chief Economist

Ministry of Finance/Economic
Planning

Mr M M Z Madonsela, Senior Economist

SADC Secretariat

Dr M P Modise, Head of Geology Dept.

University of Botswana

Mr G Smith, Technical Advisor

Delegation of EU Commission

Mr B Moaneng, Assistant Res. Rep.

UNDP

Ms A Brolsma, Programme Officer

UNDP

Mr M Kaira, Resident Representative

UNDP

Mr G Beavers, Managing Director

Debswana

South Africa

Dr J Bredell, Deputy Director-General

Department of Minerals and
Energy

Mr N Moloi, Chief Director

Department of Minerals and
Energy

Mr S Tyatya, Director, International Coop.

Department of Minerals and
Energy

Dr N Friek, Director

Council for Geoscience

Mr T Ramontja, Director

Minerals Bureau

Mr A J Harding, Deputy Director

Minerals Bureau

Mr J C Botha, Deputy Director

Minerals Bureau

Mr P Kruger, SADC National Contact Point

Department of Foreign Affairs

Mr X Duda, SADC National Contact Point	Department of Foreign Affairs
Dr A Edwards, President	Mintek
Mr H James, Vice President	Mintek
Dr M Ford, Director	Mintek
Dr B Protheroe, Manager, Surface Environment	CSIR
Mr R. Goode, Acting Director	Minerals and Energy Policy Centre
Mr R Boers, Manager, International Liaison	Chamber of Mines of South Africa
Prof H Phillips, Head Mining Eng. Dept.	University of Witwatersrand
Prof G A Fourie, Head Mining Eng. Dept.	University of Pretoria
Mr G Keeton, Economic Consultant	Anglo American Corporation
Dr A A M'Baye, Counsellor	Delegation of European Commission

Tanzania

Mr G Mwakalukwa, Commissioner	Ministry of Water, Energy and Minerals
Mr C Msalangi, Co-ordinator, Mineral Sector Proj.	Ministry of Water, Energy and Minerals
Me E P Mchihyo, Senior Geologist	Ministry of Water, Energy and Minerals
Mr S L Lwakatare, Chairman	Chamber of Mines of Tanzania
Mr H Doornenbal, Chief Geoscientist,	ESAMRDC, EU Geodesa Project
Mr G Stenstrom	ESAMRDC, UNIDO Project
Ms T K Mwasha, Industrial Minerals Specialist	ESAMRDC
Mr E.C. Kimaro, Industrial Minerals Specialist	ESAMRDC
Dr J R Ikingura, Lecturer, Geology Dept	University of Dar-Es-salaam

Dr Isaac Marobhe, Lecturer, Géology Dept	University of Dar-Es-salaam
Dr M E Kamwaya, Lecturer, Geology Dept	University of Dar-es-salaam
Prof S Muhongo, Head, Geology Dept	University of Dar-es-salaam
Dr C Z Kaaya, Lecturer, Geology Dept	University of Dar-es-salaam
Mr I Simpson, Regional Accountant	Anmercosa Exploration (AAC)
Mr M Bergman, Administration Manager	Anmercosa Exploration (AAC)
Mr T Thornton, Operations Manager	Resolute Tanzania Limited
Mr A Baum, Economic Advisor	European Delegation

Zambia

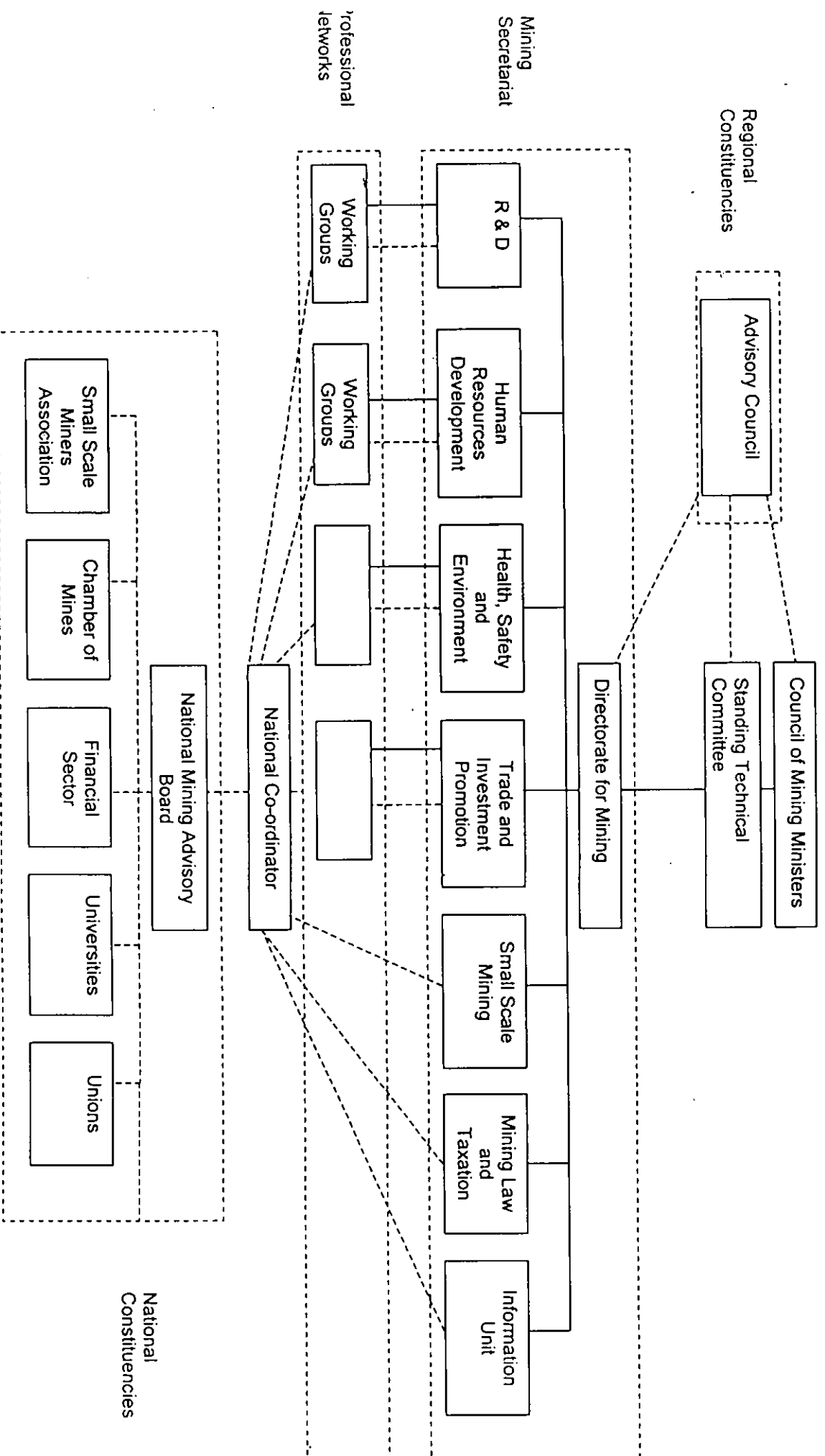
Mr H Mkandawire, Deputy Chief Mining Engineer	Ministry of Mines
Dr M Kanyangarara, Chief Technical Advisor	COMESA
Mr J C Chanda, Co-ordinator	SADC Mining Sector Cood. Unit

Zimbabwe

Mr S N'Cube Chief, Mineral Promotion	Ministry of Mines, Environ. And Tourism
Mr D Matyanga, Principal Minerals Officer	Ministry of Mines, Environ. and Tourism
Mr Mhembere, Mining Engineer	Ministry of Mines, Environ. and Tourism
Mr S D Siziba, Chief Geologist	Zimbabwe Mining Dev. Corp.
Dr R Fernandez, Chairman	Institute of Mining Research
Mr G Munyoro, President	National Miners Assoc. of Zimbabwe

Mr S T Matema	Matema & Associates Consulting
Mr D Frank, First Secretary	Canadian High Commission
Philip Condon, Senior Invest. Officer	International Finance Corporation
Mr L Dhliwayo, Chief Chemist	Department of Metallurgy
Dr H Munyanyiwa, Chairman Geology Dept.	University of Zimbabwe
Mr B Stanley, Senior Executive	Chamber of Mines of Zimbabwe
Mr D Robinson, Mining Affairs Manager	Chamber of Mines of Zimbabwe

Annex II Proposed Institutional Structure for Co-operation in Mineral Resources Development in SAR



Annex III Issues for Further Action

Action Required	By Whom
1. Hold an expert group meeting to discuss findings and present to next Mining Minister's Meeting	SMSCU, ESAMRDC, SA-SRDC SADC Secretariat, Departments of Mines, Technical organisations
2. Work out programme of support for REI and link to umbrella instruments and best practice from other REI groupings	ECA, SA-SRDC, SADC
3. Undertake feasibility to establish Mining Commission/Directorate with respect to: funding arrangements, institutional organs, tasks, competency requirements, location, relationship to national institutions, etc	Task team comprising SMSCU, SRDC, SADC secretariat, appropriate technical institutions
4. Establish national Mining Advisory Committees, national associations as appropriate and full time national Co-ordinator	Member States
5. Undertake study to disaggregate areas of common interest into benefits and costs.	ECA/SRDC, SMSCU/Secretariat, appropriate organisations from member States
6. Undertake detailed studies to define core competencies available, applicability of subsidiarity, variable geometry and aspects of the protocol which require supranationality and support structures required.	ECA/SRDC, SMSCU/Secretariat, appropriate organisations from member States