ECONOMIC COMMISSION FOR AFRICA

Fourth Regional Conference on the Development and Utilization of Mineral Resources in Africa

Meeting of the Preparatory Technical Committee

Ouagadougou, Burkina Faso
18-24 March 1991

REPORT
I. OPENING OF THE MEETING

1. The Chairman of the Technical Preparatory Committee for the third Regional Conference on the Development and Utilization of Mineral Resources in Africa, Mr. Bwobi Watuwa of Uganda, called the Conference to order. He thanked the Government of Burkina Faso for having invited the secretariat of the Economic Commission for Africa to convene the fourth Regional Conference on the Development and Utilization of Mineral Resources in Ouagadougou. In addition, he expressed the gratitude and appreciation of the participants to the Government and people of Burkina Faso for the warm reception and excellent facilities accorded to the Conference.

2. Mr. Watuwa noted that although mineral projects took a long time to bear fruit and the economic environment in the African region had been difficult since the last Conference in Kampala in 1988, some progress had been made in the implementation of the recommendations of that Conference as would be revealed at this Conference. He expressed the view, however, that much remained to be done on the effective dissemination of the recommendations of the Regional Conference at national, subregional and regional levels as called for by the third Regional Conference. He stressed that the African population had to be made aware of the role of minerals in development in order to enhance the development and utilization of minerals in the continent.

3. On behalf of Professor Adebayo Adedeji, Executive Secretary of the Economic Commission for Africa, Mr. Peter N. Mwanza, Chief of the Natural Resources Division, expressed ECA's deepest gratitude to the Government and people of Burkina Faso for having generously offered to host the Conference. Above all, he acknowledged ECA's indebtedness to Captain Blaise Compaoré, Président of the Front Populaire, Head of State and Head of Government, for his dedication in developing the mining sector and for the keen interest he personally showed to ensure that the Conference was convened in Burkina Faso.

4. Mr. Mwanza observed that minerals were essential for the improvement of living conditions of mankind. For example, the fuel minerals contributed over 80 per cent of the world's commercial energy, and the metals and industrial minerals were necessary for the development of physical infrastructure to produce goods and services required by man. Yet the African region, in spite of its huge and diverse mineral resources endowment, consumed an insignificant proportion of the world's production of mineral resources. This situation, in part, explained the extreme poverty and underdevelopment that existed in the continent.

5. He pointed out that it was in the light of the contradiction stated above that the biennial conferences on the development and utilization of mineral resources in Africa were convened by the ECA, in collaboration with member States and all interested institutions, in order to enhance the production and consumption of mineral resources by African countries, for the benefit of uplifting the quality of life of its populations.

6. Mr. Mwanza recalled the recommendations adopted by the three previous Regional Conferences on the Development and Utilization of Mineral Resources in Africa which, inter-alia, had stressed the need for co-operation among African
countries, among African institutions and relevant bodies outside the African continent, and the creation of an enabling investment climate in the region, in order to enhance the development and utilization of mineral resources in the continent. He stated that the present Conference was expected to review progress in the implementation of the said recommendations, consider other specific studies prepared by the secretariat and other institutions, and establish further recommendations for the improvement of the African mineral development sectors at national, subregional and regional levels for consideration by the ministerial session of the fourth Conference.

7. Mr. Mwanza expressed regret that the detailed study on prospects for increased intra-African manufacture and trade in copper and aluminum-based products recommended by the third Regional Conference could not be undertaken in time for the present Conference because of delays in obtaining agreements and modalities of financing among the various collaborators (UNIDO, subregional and regional institutions, member States, fabricators and consumers). Instead, the ECA secretariat had replaced the said study with a study on mineral resources development and the environment in Africa which, considering the current worldwide interest in environmental protection, especially at this time when the world was preparing for the United Nations Conference on Environment and Development to be convened in Brazil in June 1992 would be found useful to the Conference. The study on copper/aluminum recommended by the third Regional Conference would be submitted to member States and other interested institutions at a later date.

8. Mr. Mwanza concluded his statement by expressing the hope that the presence of representatives of African Governments, the mineral industries, the private sector, research institutions, universities, labour groups and other relevant organizations at the Conference would enhance the quality and the rate of implementation of recommendations arising from it.

9. Next, the Minister of Promotion économique, (Economic Promotion) of Burkina Faso, H.E. Thomas Sanon, took the floor and emphasized that the choice of Ouagadougou to host the fourth Regional Conference was a great honour for his country. He then extended a hearty welcome to all participants and expressed the gratitude of the revolutionary Government of Burkina to the ECA secretariat for this choice, as for the efforts made to organize the meeting.

10. The Minister further stated that the country’s authorities, in view of the poor climatic conditions that compromised agro-pastoral development, had taken measures which, today, was giving the mining sector an increasingly important place in the nation’s economy. He explained that this had led the Popular Front, the highest political organization of his country, to establish structures including the Secrétariat d’Etat aux mines (Secretariat of State for Mines), to deal with the sector.

11. At this juncture, H.E. Sanon paid tribute to the friendly countries of France, Germany, Holland, etc. and international organizations including UNDP, World Bank, the Islamic Development Bank whose combined assistance had made it possible to identify many mineral resources.
12. In that regard, he emphasized that gold, which led to the establishment of various companies for mining (SOREMIB, SEMICOB, SMG), research and evaluation (BUMICEB), small-scale and semi-industrial production (Gold Corporation), had become the second export product of Burkina after cotton. He also mentioned the special case of the Perkoa zinc deposit (4.5 million tons with a 17.5% zinc content), a project currently being jointly implemented by BUMIGEB and BOLIDEN, gave great hopes to Burkina.

13. The Minister affirmed that with the good performance of the mining sector, matched with a framework of legal and institutional incentives, Burkina Faso was striving to establish a new system for mineral substances that would be attractive to investors and profitable for the State.

14. In conclusion, the Minister emphasized that the Conference whose themes laid emphasis on co-operation among countries of the African region, was in perfect harmony with the viewpoint of Burkina Faso. He also expressed the wish that participants would discuss them with the appropriate seriousness in order to reach conclusions which would revitalize the African mining sector through regional and subregional co-operation.

15. He then declared the experts meeting of the fourth Regional Conference on the Development and Utilization of Mineral Resources in Africa open.

II. ELECTION OF OFFICERS

16. The Conference unanimously elected the following officers:

Chairman: Burkina Faso
First Vice-Chairman: Morocco
Second Vice-Chairman: Zambia
First Rapporteur: Tanzania
Second Rapporteur: Chad

III. ATTENDANCE

17. The Conference was attended by representatives of 20 African Governments: Algeria, Burkina Faso, Burundi, Cameroon, Chad, Côte d'Ivoire, Gabon, Guinea, Guinea Bissau, Malawi, Mauritania, Morocco, Mozambique, the Niger, Nigeria, Senegal, Uganda, United Republic of Tanzania, Zambia and Zimbabwe.

18. The following international institutions and observers were also represented: the World Bank, United Nations Department of Technical Co-operation for Development (UNDTCD), United Nations Industrial Development Organization (UNIDO), Southern African Development Co-ordination Conference (SADCC), International Labour Organization (ILO), Eastern and Southern African Mineral Resources Development Centre (ESAMRDC), Economic Community of West Africa (CEAO), Autorité du Liptako-Gourma, the Economic Community of West African States (ECOWAS), and the International Association of the European Mining Enterprises (EUROMINES).
IV. ADOPTION OF AGENDA

19. The following agenda was adopted:

1. Opening session.

2. Election of officers.

3. Adoption of the agenda and organization of work.

4. Consideration of progress achieved in implementation of the recommendations made by the three previous Regional Conferences, developments that affected the mining sector during the period 1988-1990 and prospects for the 1990s.

5. Consideration of conditions for increasing the production of gemstones and semi-precious stones as well as precious metals by small-scale mining operations in Africa in such a way as to enhance their contribution to the reduction of Africa’s balance of trade deficit, on the one hand and to the economic and social development of the region, on the other: (a) small-scale gold mining; (b) consideration of Africa’s potential in gemstones and semi-precious stones.


7. Mineral resources development and environmental protection in Africa.


9. Any other business.

10. Establishment of the agenda for the ministerial session of the fourth Regional Conference.

11. Venue for the fifth Regional Conference.

12. Adoption of the report of the Technical Preparatory Committee.

13. Closing of the Conference.
V. ACCOUNT OF PROCEEDINGS

Appraisal of progress made within the framework of the implementation of recommendations of the three previous regional conferences, developments that affected the sector during the period 1988-1990, and prospects for the 1990s (Agenda item 4)

20. A representative of the ECA secretariat introduced document (ECA/NRD/FRCDUMRA/6 relating to the above topic.

21. It emerged from the presentation that the recommendations of the first Regional Conference held in Arusha, Tanzania in 1981 were addressed, on the one hand, to member States and African institutions and on the other hand to the ECA secretariat.

22. With regard to mineral resources, member States and African institutions, taken individually or collectively, were requested: (a) to acquire and increase their technical knowledge, (b) to create and strengthen the services responsible for mining and extraction, processing and marketing, (c) to develop equipment industries and (d) to strengthen manpower training and further courses.

23. To the ECA secretariat it was recommended mainly to: (a) conduct certain studies and organize workshops, seminars and study trips and (b) assist the institutions responsible for mineral resources.

24. Within the framework of the implementation of those recommendations, the secretariat, in addition to ensuring their wide dissemination, had prepared various thematic maps with the assistance of the USSR, organized seminars (in Krivoy-Rog, USSR) as well as study trips to five Latin American countries and provided assistance to the mineral resources development centres (the existing one in Dodoma and the one currently being established in Brazzaville).

25. The second Regional Conference held in Lusaka, Zambia in 1985, in recommending to member States, African institutions and ECA to pursue the implementation of the recommendation of the first Conference, further invited them to put emphasis on: (a) small- and medium-scale mining in rural areas, (b) the establishment of African minerals and groups of minerals associations, (c) the establishment of a special financing mechanism with ADB, (d) and an inventory of copper and aluminum manufacturing industries.

26. Within the framework of the implementation of those recommendations, the secretariat had undertaken various studies (including those on phosphatic raw materials, the incidence of deep-sea mining, the evaluation of African mineral resources and an inventory of manufacturing industries), conducted negotiations with ADB on special financing mechanisms, organized seminars (in Armenia and the Congo), assisted member States (Botswana and Mozambique) and continued its assistance to the Dodoma and Brazzaville centres.

27. The document dwelt much longer on the recommendations of the third Regional Conference organized in Kampala, Uganda in 1988 by separately underscoring the specific recommendations addressed to member States, the ECA.
secretariat and the specialized agencies of the United Nations or other international organizations.

28. With regard to member States, emphasis was put on the recommendation made to them to strengthen the multi-national mineral resources development centres and to evaluate their mining policies and practices in order to make them more conducive to promoting and ensuring co-operation among States.

29. On its part, the ECA secretariat was invited: (a) to study the possibilities of creating Western and Northern African centres, (b) to organize seminars and formulate strategies on small-scale precious and semi-precious minerals exploitation, (c) to conduct, in collaboration with other competent bodies, a detailed study on the intensification of manufacturing and intra-African trade in copper-and aluminum based products, (d) to contact BADEA and to encourage it to financially support mining projects, (e) to promote the development of phosphate and potassium deposits, (f) to involve representatives of industries, universities and workers in Regional Conferences and (g) to disseminate the recommendations of the Conference.

30. In the case of the international institutions the recommendations were addressed on the one hand, to the United Nations Office for Ocean Affairs and the Law of the Sea and on the other hand to ADB.

31. On the question of activities undertaken, the document indicated that the recommendations relating to dissemination of recommendations, the multi-national mineral resources development centres, small-scale precious mineral exploitation and to phosphates and potassium had been carried out more or less partially, while the recommendation on the manufacturing industries for copper and aluminum-based products was under way.

32. Member States and the institutions would give account of the recommendations made to them in the course of the deliberations.

33. Finally, the document analyzed developments that had affected the African mining sector during the 1980s. It indicated that, in general, the mining industry in Africa had declined or stagnated during that period.

34. Examples of aluminium, copper, iron, phosphates, diamonds and gold, given in the tables, were designed to better illustrate the trends in production, processing, consumption and exports. Thus, it was shown that regarding processing, marketing and consumption, in particular, Africa had continued to occupy a significant place in the 1980s whereas the marketing of its products was, in the main, externally oriented.

35. The document emphasized that those trends could continue in the 1990s considering, particularly, the new constraints imposed by socio-political developments in Eastern Europe, on the one hand, and the Persian Gulf crisis, on the other hand.

36. Consequently, it was recommended that besides gold which had bright growth prospects in the 1990s, due to the opening of new mines, the restructuring of formal mines and the increase in small-scale and semi-industrial
production, African States should review their policies and take stringent measures if they intended to reverse the above trends.

37. In conclusion, it was stated that in addition to the information to be furnished by the States and institutions, those measures should, inter-alia, seek to: (a) improve and co-ordinate mining development policies; (b) step up possibilities to process mineral raw materials and to manufacture articles from them; (c) establish and render effective the functioning of large African markets so as to increase consumption; (d) intensify co-operation, at all levels, amongst the States, subregional groupings and the regional institutions; and (e) encourage member States and subregional groupings to join existing or future mineral resources development centres.

38. Following the secretariat's presentation, the representative of Mauritania informed the meeting of his country's mineral index which comprised 300 occurrences of mineral substances and mineral raw materials requiring detailed investigations. In view of the shortage of financial and human resources, the country's mineral policy had been reviewed to ease legislation on mining and to create incentives and advantages for investors. The legislation concerned are the mining code which was revised in 1988, the petroleum legislation and the investment code, the last one having been revised in 1989.

39. He further informed participants of the exploration activities carried out in his country, mainly regarding phosphates (a 38%, P2O5 deposit which does not require sophisticated beneficiation methods has been discovered), uranium, sulfur, and iron. Regarding iron, the exploration of which started in 1961 with the development of Kedia d'ldjl, a new deposit with high Fe content (67-68%) and reserves amounting to 80 million tons, had been discovered in the M'haoudat area. Other deposits had been found in the El Aouj area. Studies had also been carried out on salt (a major deposit had been discovered in Sebkha N'drahemcha), heavy sands, copper (an Arab Company named SAMIN had been established to evaluate sulfided ores) and gypsum.

40. He concluded by stating that the mineral sector which had been the prime mover of the economy from 1962 to 1980 was, currently facing some problems, and its contribution to Mauritania's GDP had fallen to a mere 10% in 1990. Efforts were now being made to promote small-scale mining.

41. The representative of Zambia stressed that the Regional Conferences on the Development and Utilization of Mineral Resources in Africa were important events where reviews and assessments were made on how the mineral industries of the region were responding to the goals set by the "Lagos Plan of Action", whose main theme was the promotion of self-reliant and self-sustaining socio-economic development in the African region, based on the use of indigenous factor inputs to supply regional needs. He noted that in spite of Africa's huge mineral resources endowment, the contribution of mineral sectors towards the region's development was proportionately small due to inappropriate mineral development policies and programmes.

42. He informed the Conference that pursuant to the recommendations of the three previous Regional Conferences on minerals, Zambia had implemented a number of measures intended to enhance the contribution of minerals towards the
region's economic advancement. The Zambian Government had incorporated the said recommendations in its national development plans. Joint Permanent Commissions of Economic and Technical Co-operation between the country and many of the countries of the subregion had included co-operation in different areas of mineral resources development. Zambia remained the co-ordinator of the mining sector of the Southern African Co-ordination Conference (SADCC) with the responsibility of developing SADCC projects in the mining sector for implementation by the member States of the subregion. In its capacity as SADCC co-ordinator in the mining sector, Zambia worked closely with other regional, subregional and international organizations in the mineral industries. The country further followed closely the activities of the Eastern and Southern African Mineral Resources Development Centre (ESAMRDC).

Moreover, with a view to promoting and implementing co-operation between Zambia and other African countries in the mineral development sectors, the country was engaged in meetings with Malawian geologists to discuss geological correlation programs. Zambia had undertaken geo-traverse projects jointly with geoscientists in Malawi and Tanzania. Toll refining of Zairian copper was being effected by Zambia Consolidated Copper Mines Limited. Zambia Metal Fabricators was gradually expanding copper fabrication for internal consumption and exports to other African countries. Exports of mineral products such as copper semis, cement and bottles were being effected to Kenya, Burundi and Tanzania respectively.

The Zambian representative informed the Conference that since the last Conference (1988), the performance of the Zambia Consolidated Copper Mines (ZCCM) had improved considerably due to the firmness of base metal prices, favourable exchange rates and enhanced operational efficiency. Aware of the impending depletion of some ore reserves towards the end of the third decade, the company was evaluating other copper resources in the country to determine their viability for exploitation. The company had additionally established the Copper Mining Enterprise Trust Limited (COMET) under the Directorate of Development to create alternative employment opportunities to displaced employees and unemployed youths in mine townships.

In order to reduce dependency on copper, the country was intensifying diversification to develop other minerals such as gemstones, industrial minerals and coal. The gemstone industry was believed to have a major potential as a foreign exchange earner in the country. In this respect the Government had introduced a number of measures intended to improve the small-scale mining of gemstones and eliminate illegal exports of gemstones from the country.

A gemstone organization to be operated by the producers themselves was in the process of being established. Conditions for marketing, cutting and polishing of gemstones locally or abroad were being liberalized. An auction system for all gemstones was being introduced. Plant hire schemes in all major gemstone producing areas were in the process of implementation. As an incentive to gemstone producers, their sales would be paid for 50 per cent in foreign currency and 50 per cent in local currency. Mineral export tax had been reduced from 20 per cent to 5 per cent of sales revenue. A revolving fund was being set up to assist miners overcome their short-term liquidity problems. The
Mines and Minerals Act was currently under revision in order to cater for the new perspectives of the gemstone industry.

47. With regard to industrial minerals, the Zambian Government was promoting the development of construction, manufacturing, chemical and agricultural minerals to meet increasing internal demand. Likewise the existing coal mining company - Maamba Collieries Limited - was undergoing rehabilitation under the African Development Fund Credit Agreement to expand coal production for local consumption and export to neighbouring countries.

48. The representative of the United Republic of Tanzania informed the Conference about the historical evolution of mineral development policy in the country, which foreign and local private investors had shunned in the past several years, but had been increasingly returning to do business since the last five years.

49. It was reported that the country had a good geological environment with promising prospects for the increased discovery of economic minerals such as gold, diamonds, gemstones, nickel, base metals, coal and a wide variety of industrial minerals. However, with the introduction of a state-directed development strategy and nationalization of several sectors of the economy a few years after independence (1961), private investment (local and foreign) in the mineral industries had declined to a point where the contribution of the mining industry to GDP declined from about 10 per cent in 1961 to 0,4 per cent in 1989. Moreover, the structure of the mining industry shifted from predominantly industrial-scale to partially uncontrolled small-scale with little impact in terms of fiscal revenue.

50. The Conference was informed that since 1985 the investment climate in the country had improved remarkably, leading to the increased flow of private investment in the mining industry. Placer Dome (Kahama) Limited (gold), Kabanga Nickel Company (nickel), De Beers (diamonds), and several other companies with both local and foreign shareholding were reported to be currently active in mineral resources development in the country.

51. Among the policy changes which had brought the recent increased private investment in the mineral development sector of Tanzania were: the Mining Act of 1979, the Government papers on "Small Scale Mining Policy" and "Large-Scale Mining Policy" of 1983, the "Model Agreement of 1988, and the "National Investment Promotion Policy" (NIPP) of February 1990.

52. The Mining Act of 1979 incorporated the legal right of the Government to discretionary intervention in some aspects of mining operations. It set out the framework governing the exploration and exploitation of minerals in the country and was administered by the Mineral Resources Department. The mining policy papers of 1983 underlined that minerals were part of the nations heritage, with the implication that State participation in the ownership of mining operations was obligatory.

53. Conversely, the Model Agreement of 1988 eliminated the obligatory requirement of Government majority ownership in mining ventures. As a move towards further liberalizing the economy, the Government issued NIPP in
February 1990. While the basis for economic development continued to be the policy of socialism and self-reliance, NIPP emphasized the increased importance of private investment. Foreign and local private investors, including those in mining, were protected against nationalization. Further property guarantees were provided under Multilateral Investment Guarantee Agency (MIGA) for which the United Republic of Tanzania was a member. Furthermore, under this investment policy, the country would soon join the International Centre for the Settlement of Investment Disputes (ICSID).

54. NIPP established clear and transparent rules with respect to the rights and obligations of the Government. It had been established that, notwithstanding the level of Government shareholding in a company, mine operations would remain the responsibility of the investors. Moreover, NIPP did not require Government participation to be mandatory. Moreover, NIPP eliminated previously existing predetermined proportion of equity holding between local and foreign investors. An Investment Promotion Centre (IPC) had now been established to process investment proposals.

55. With regard to fiscal arrangements affecting mining operations, these were covered under corporate taxation, royalty, customs duty and sales tax. Under the Income Tax Act of 1973, corporate income tax was 45 per cent and 50 percent for residents and non-residents respectively on all taxable income. For mining companies a variety of tax incentives did exist and lead to lower effective tax rates. For example in mining, for the first four years of positive taxable income, the rate of tax was 22.5 per cent per annum.

56. All mining investors benefitted from generous incentives including capital expenditure deductions and free import duty for all exploration and development equipment. All pre-operational expenditure for exploration and development were deductible at a rate of 40 per cent in the first year of mining operations and 10 per cent in each of the following six years. Royalty payment was levied according to rates set out by established regulations.

57. Payment of dividends, interest on loans and management fees were subject to tax. The current rates were 10 per cent and 20 per cent for residents and non-residents respectively. Withholding tax rates for dividends were 5 per cent and 10 per cent for residents and non-residents respectively. Other incentives provided for mining operations included retention schemes on off-shore accounts which permitted an export oriented mining venture to operate without constraints on foreign exchange obligations.

58. The representative of Burkina Faso informed the Conference of activities carried out in his country within the implementation of recommendations of the three preceding Regional Conferences on the Development and Utilization of Mineral Resources in Africa. The activities were focused on the exchange of information and experiences through Burkina's participation in seminars, etc., on the development of certain mineral resources whereby special emphasis was laid on the small-scale mining of certain substances such as gold, and on the enhancement of the contribution of the mineral sector to agriculture through the use of phosphates and dolomite limestone as manure, and the fertilizer manufacture project under study.
59. He also stated his country's strategy for the development of the mining sector. The most important objectives included, inter-alia, increased contribution of the mining sector to efforts geared towards food self-sufficiency, and the promotion of the exploitation of certain known and already evaluated deposits. He emphasized that a mining and quarrying code which provided incentives to the private sector and took the interest of the State into account, was being prepared. Finally, he laid emphasis on co-operation amongst African countries in the area of mineral resources.

60. The representative of Morocco informed the Conference of the measures taken by his country within the context of implementation of the recommendations made by the Arusha, Lusaka and Kampala Conferences. In 1980-1981, Morocco had worked on the preparation and publication of detailed or semi-detailed maps of variable scales and had revised the legislation and regulations on the mining sector. A number of incentives ranging from tax exemptions (import taxes, VAT, taxes on patents, etc.) to the guarantee of the transfer of actual research costs or net tax benefit for non-residents, etc. by means of reduced registration fees had been incorporated in the investments code.

61. Within the framework of mining activities per se, measures had been taken to standardize artisanal operations, particularly those for lead, zinc and barytine, the output of which was bought exclusively by the Centrale d'achat et de développement de la région minière de la Tafilalet et Fiquita (CADETA). (The Purchasing and Development Office for the Tafilalet and Fiquita mining region). With regard to further training, concerted efforts by the Government and by the private and public sectors had made it possible to establish training facilities in the mining sector to meet the ever-increasing need for engineers, technicians, skilled manpower and specialists.

62. He added that with regard to the environment, measures had been taken to reduce, to a minimum, the effects of liquid and solid wastes on nature and generally to protect the environment. To that end, a bill that would stipulate the technical and administrative measures for better protection of the environment was currently being prepared.

63. He concluded his statement by giving an overview of the efforts being made by Morocco to strengthen African co-operation in the field of mineral resources.

64. The representative of the Niger informed the Conference that his country had major mineral resources including uranium, coal, tin, phosphates, iron, gold and others that could play a decisive role in the economic development of the country. However, the persistently dismal world market conditions and internal constraints on the mining industry (landlocked position of the country, lack of technical and financial resources, etc.) undermined the harmonious development of the sector which remained dominated by uranium mining. Faced with that situation, the country had adopted a mining development strategy, making the country's mineral resources a major asset in national development and international co-operation. The main trends of the strategy would be translated into specific policy actions aimed at:
(a) Diversifying mining research and exploitation as a matter of priority;

(b) Establishing efficient structural and institutional facilities, developing skilled manpower and providing adequate financial resources to ensure the rational and diversified exploitation of the countries resources with the objective of obtaining more remunerative prices;

(c) Ensuring integration of the mining sector in the national economy;

(d) Exercising efficient economic and political control over the mining sector.

65. He indicated that in the short and medium terms, specific objectives were being pursued for the economic development of the country, more precisely for the revitalization of the mining sector.

66. The representative of Burundi indicated that although his country was essentially an agricultural country, it was determined to develop its mining sector, as much as possible, in order to diversify its economic activity. Mining research which had started systematically in 1969 had made it possible to identify significantly important deposits of lateritic nickel, vanadium and phosphates, which required the mobilization of substantial financial resources and the establishment of an industrial complex and appropriate infrastructure for their development.

67. He continued by saying that during the 1980s, Burundi's mining development policy was geared towards two priorities:

(a) Research on and development of metals or minerals with high unit cost and the development of which did not require complex technology and major investments; and

(b) Research on and evaluation of industrial minerals which, in most cases, should lead to the establishment of import substitution industries.

68. This would apply to (i) limestone for the manufacture of cement and lime; (ii) raw materials for the manufacture of various ceramic products; (iii) raw materials which could be used as manure and (iv) building materials.

69. He outlined the development perspectives of the mining sector which, during the present decade, should concentrate on the following lines of action:

(a) In the short term, the development of metals or minerals with a high unit cost would be pursued by encouraging private enterprises to engage in industrial or semi-industrial production and by instituting an adequate legal framework for stimulating and organizing small-scale operations where industrial operations were not envisaged;

(b) In the medium term, priority would be given to the development of mineral resources that could lead to the development of import substitution industries (cement, ceramics, fertilizers, etc.).
(c) In the long term a policy for the development of major deposits discovered and evaluated (nickel and vanadium) would be intensified, with special emphasis on the nickel deposits whose development would have considerable impact on the country's economy.

70. The speaker further indicated that the development of his country's mining sector was confronted by a number of constraints, the most critical of which were the lack of financial resources specifically for the sector, lack of adequate infrastructure and the landlocked position of the country.

71. Conscious of those constraints, Burundi had instituted legislation aimed at creating a favourable atmosphere for foreign investment. An investment code granting a number of fiscal and customs privileges to private investors had been recently promulgated and the mining code was being revised in order to adapt it to the current economic climate and to the realities of the country. Moreover, a law on exports which gave benefits other than those included in the investment code had just been enacted. In conclusion, he stated that in addition to the legal provisions instituted by the Government to develop the country’s mining sector, it would be desirable if efficient collaboration was forged among the countries of the subregion, basically for the establishment of the necessary infrastructure and for the development of the region’s mining sector, particularly that of Burundi.

72. The representative of Chad informed the meeting that since the Kampala Conference, his country had benefitted from a UNDP financed project designed to strengthen the Department of Geological and Mining Research. Research activities had been conducted in various areas of the country following the establishment of infrastructures which included a modern laboratory for chemical, petrographic and oil analyses, a computerized documentation centre connected to the Pan-African Network for Geological Information Systems (PANGIS) and a vehicle repairs workshop. The activities were focused on precious metals such as gold, diamonds and platinum, basic metals and other mineral substances. They all led to: (a) the discovery of several geochemical anomalies and gold indexes in Mayo-Kebbi to the south-west of the country and one of the indexes was currently being exploited; (b) a limestone deposit and marble deposits: limestone was currently under small-scale mining and (c) a substantial deposit of diatomites in Kanem.

73. Studies on the development of trona around Lake Chad Kanem were also conducted by the ECA, IDB and UNDP. They all recommended rational mining so as to increase the productivity of craftsmen.

74. Within the context of efforts to meet building materials needs, Chad had developed a production plant for stabilized earth blocks and asbestos cement tiles.

75. Authorities of the country were also preoccupied with the training of nationals in the various areas of mining research.

76. The Representative of Nigeria stated that remarkable progress had been recorded in the area of distribution and dissemination of information on mining matters. Several copies of the report of the third Regional Conference on the
Development and Utilization of Mineral Resources in Africa had been forwarded to all mineral related national institutions mining corporations, ministries including the Ministry of finance and economic development. Workshops and seminars on mineral resources development had been organized to effectively disseminate the social, economic and technological advantages of mineral resources development at the national grass-roots level.

77. He added that aware of the need to restructure her existing mineral development policy, the country had been assessing its current policies and practices. Meanwhile, the need for a drastic review of the mineral policy and a complete updating and revision of the mining legislation had been recognized. The expected shift in mineral policy would be designed (a) to ensure unhindered supply of essential mineral raw-materials to sustain Nigeria's domestic mineral related industries through extensive exploration and intensive exploitation geared towards the expansion of the proved reserve of existing economic mineral deposits and the discovery of new ones, (b) to secure the development, conservation and utilization of the mineral resources of Nigeria in the best possible manner so as to bring about economic benefit for the longest period and (c) to intensify mining investment promotion campaign, and create the necessary incentives for private investments in the mineral industry, thereby encouraging private operators and investors (local and foreign) to go into exploration and exploitation of solid minerals. The overall objective of the new mineral policy direction was to source most of the mineral raw materials internally for utilization by local industries and for export. The expected revised and updated mining legislation would move away from the traditional roles to that of encouraging profitable exploitation of economic mineral deposits with strong government support. When completed the New Nigerian Mining and investment code would incorporate Mining Investment Promotion, Mining Investment Incentives, Efficient Data Base, Environmental Protection, Mining Contract Agreements, Strategic Minerals, Mining Titles and Claims etc.

78. He further mentioned that to implement the main objective of the Regional Conferences the following instruments had been created and strengthened viz:- Nigerian Mining Corporation (NMC), National Iron Ore Mining Company (NIOMC), Nigerian Uranium Mining Company (NUMCO), Consolidated Tin Mines (CTM), Nigerian Coal Corporation (NCC), National Metallurgical Development Centre (NMDC), Steel Raw Materials Exploration Agency (SRMEA) and Raw Materials Research and Development Council (RMRDC).

79. He also indicated that Nigeria recognized the importance of small-scale mining of gemstones, and that measures were being taken through legislative and fiscal regimes for proper organization of gemstones mining and to overcome the problems of illegal mining and illicit trading in precious and semi-precious minerals.

80. He then concluded by stating that Nigeria considered seriously the importance of regional, subregional and intra-African States co-operation in mineral resources development. In that regard, steps were also being taken to strengthen the existing intra-African co-operation in mining matters and to open up new areas of co-operation with other member States in mineral resources development and utilization.
81. The representative of Senegal informed the Conference that a mineral resources development policy was currently being established in his country. The policy sought to give fresh impetus to geological and mining research and to provide assistance to phosphate mining undertakings which were currently facing difficulties. In order to facilitate geological research, a provision introduced in the mining code, stipulated that with the exception of fees and taxes relating to the issue of mining titles, no other taxes would be levied by the State on all research activities undertaken in the country. With regard to deposits discovered, fiscal measures were also provided to stimulate their development, especially exemption from direct taxes on revenue.

82. Regarding phosphate companies, the State granted almost total exemption from all taxes and created an export premium in order to provide Senegalese companies the same conditions as those granted to their major competitors.

83. The representative of Senegal also insisted on the need to strengthen cooperation amongst African countries in the area of mineral resources. Such cooperation would create and/or strengthen an African market for mineral raw materials and by-products.

84. The representative of Guinea Bissau stated that there had been much development in the mining sector of his country since it obtained independence in 1974. Bauxite and phosphate deposits as well as building materials had been discovered. The latter were currently being exploited for domestic purposes.

85. He further stated that efforts had been made in the area of cartography. BRGM had covered an area of 9000 km² (scale 1/100,000) and the coverage of the whole country according to the SPOT technique had been carried out in 1988, followed by gravimetry. Findings of the latter campaign were currently being interpreted.

86. He also mentioned that a mining code and a law on quarries had just been published and that the Government's mining policy was aimed at developing mineral resources with special emphasis on building materials.

87. In conclusion, he highly recommended subregional co-operation, particularly, between Senegal, Guinea, Guinea Bissau and Mali, which could lead to the exploitation of the Boé bauxite and iron deposits which were found in border areas.

88. The representative of Algeria stated that in the Government had adopted a long-term, large-scale mining research programme in order to meet the needs of the national economy. Since 1986, the Government had provided a financial percentage amounting to FF 4 billion for the project. As a result of the funding encouraging results had been obtained in the inventory of mineral indices, geological cartography, prospection and evaluation of deposits (lead/zinc, mercury, gold, uranium, sulphur, iron, phosphate, salt, etc.).

89. However, although the turnover had increased tenfold, the development of the mining sector had not been up to expectation for several reasons, the most important of which were the stringent law on mining activities and an unattractive taxation system. These factors had led the Government to think about updating
the existing mining code within the framework of economic reforms adopted and implemented since 1988.

90. The proposed updating was aimed at enabling all operators, both public and private, to conduct research on and exploit minerals resources as well as affording public enterprises the possibility to team up with foreign partners either for research or for exploitation, within the context of the currency and credit law, a significant relaxation of mining taxation.

91. Taking the floor, the representative of Gabon informed participants that in 1979, his country had embarked upon a mineral survey programme over a 100 km strip of land and along the trans-Gabon railway. In ten years, the programme had led to the discovery of a deposit of polymetallic niobium, phosphates, titanium and scarce soils of world importance and particularly the identification of numerous gold indices. The survey was continuing despite the crisis. He stated further that, at the same time, many diversification studies had been conducted on the above minerals, including those on iron in the Tchibanga district in southern Gabon and potassium for the manufacture of fertilizers for the agro-based industry in southern Gabon and in the Mayumba district. A baryte deposit had been discovered in 1981 at Doureki near Mayumba. In addition, projects on building material industries based on local minerals substances had been developed.

92. With regard to legislation, measures had been taken to promote the establishment of mineral companies of all sizes. He noted in conclusion that Gabon was a founding member of the Eastern and Central African Mineral Resources Development Centre whose headquarters was in Brazzaville in the Congo.

93. The representative of Cameroon informed the Conference that mineral development activities in Cameroon had generally slowed-down since 1985, the year of the second Regional Conference on the Development and Utilization of Mineral Resources in Africa. The main reason for the registered slow action was the lack of finances to carry out geological mineral exploration projects. The South-East Cameroon mineral project started in 1975, and co-financed by UNDP and the Cameroon Government had almost come to a halt although some work was still being carried out on selected prospects such as limestone, alluvial diamonds etc.

94. The gold deposits evaluation project in the Eastern Province which was co-financed by the French and the Cameroon Governments and executed by BRGM had also suffered a slow-down due to lack of funds. This project had already identified good gold mining prospects at Colomine and Mborguene, but some necessary work still needed to be done to finally certify them as economic mining targets.

95. Artisanal exploitation of gold and cassiterite was still going out but as concerned artisanal gold production the main problem was smuggling. The Government, through the Department of Mines continued buy the artisanal production and ways and means were now being sought to step up control in the sector and collect about 80 per cent of the artisanal gold production.
96. Feasibility studies were being carried out now for the exploitation of a 350,000 ton alluvial rutile deposit in Aknolinga. It was expected that more intensive exploration would be undertaken around the known deposit so as to increase minable reserves to 1,000,000 tons.

97. The 1964, mining law and the decree of 1974 were being revised so as to attract investors and facilitate the participation of nationals in mineral development activities.

98. In the hydrocarbon sector, special exploration and production incentives were granted to the existing oil companies while promotional campaign were undertaken to Houston and London in order to attract investors to the Douala and Kribi/Campo basins. The result was so far satisfactory as many oil companies had indicated interest to explore for oil in Cameroon.

99. The representative of Guinea stated that his country was one of the richest in mineral resources in Africa and that it had three bauxite mines (CBG, OBK, and FRIGUIA), one gold mine and one diamond. These mines had been developed under a conventional regime which embodied deficiencies that the Government was now concerned about. The mining sector had an important role in the national economy, providing 22 per cent of GDP, 90 per cent of Government revenue, etc. As such, the Government intended to promote the sector through the introduction of a new more explicit policy which would entail improvement of the current mining code enacted in 1986, although the code was already promoting private initiative and had instituted three legal regimes: an industrial regime, an artisanal and professional regime and a specific taxation system.

100. He went on to outline the results obtained in the implementation of the recommendations of the third Regional Conference on Development and Utilization Mineral Resources organized in Kampala as follows: legalization of small-scale gold mining, financial contributions of nearly $US100 million to the CBG to open a new mine, subregional co-operation between Guinea, Algeria and Liberia on Nimba iron project and between Guinea and Morocco on the ARD project of Macenta. Besides, the bauxite alumina/aluminium industries had been integrated. In conclusion, the speaker stressed that subregional co-operation in natural resources development required various types of inputs, particularly financial resources provided by all the States and the various subregional institutions.

101. The representative of Zimbabwe stated that his Government attached great importance to the very pertinent issues being addressed to by the Economic Commission for Africa. He informed the conference that Zimbabwe continued to up-date its mining laws in order to derive maximum benefits from mineral resources. In recent years, the country had seen a high activity in exploration and the Ministry of Mines continued to receive applications for exploration rights in gold, base minerals as well as platinum, diamonds, oil and natural gas. Low grade gold deposits, which could be heap-leached, had been targets during the past few years. This low grade "gold rush" was prompted by the simple technology of leaching oxidized gold ores.

102. He said that there was great desire to beneficiate the minerals to end products in Zimbabwe but this was hampered by inadequate technology as well
as financial resources to erect such high capital intensive plants. The project on refractories, for example was still being investigated.

103. In its endeavour to encourage and support small-scale mining Zimbabwe continued to give expert advice, hire equipment and machinery to these miners. Loans were available to these miners and the Ministry of Mines is currently looking for ways of reducing the stringent requirements imposed on these loan applications. Zimbabwe was also looking at new regulations to deal with gold panning along rivers, in an attempt to reduce environmental degradation as well as illicit gold dealing.

104. Zimbabwe had recently introduced an economic structural adjustment programme which had seen more foreign investors than at anytime since independence. Foreign currency to the mining industry had been increased. A retention scheme initially for the exporting mines had been introduced, in addition to other economic packages likely to stimulate investment into the mining sector.

105. Lastly, the Zimbabwe representative informed the conference that the Institution of Mining and Metallurgy, Zimbabwe Section in liaison with the mother body were organizing a mining Conference, Africa Mining II (a follow-up to Africa Mining I), to be held later this year (1991).

106. The representative of Côte d'Ivoire stated that in the area of geological surveys, the objective was to ensure the total coverage of his country in order to produce geological maps published on scales 1:200 000 and 1:500 000. In addition to geological maps already published on scales 1:100 000, 1:200 000 and 1:500 000, the Department of Geology had, during in 1990, published two new geological maps on scale 1:200 000 covering the square degrees of Dakar and Burkina Faso.

107. With regard to mining research, efforts made by SODEMI and a Canadian Company, had led to the discovery of Asupiri-Aniuri deposits in the south-east of the country, with reserves estimated at about 2.5 million tons with a grade of 3.2 g/t. The Bureau de recherche géologiques et minières (BRGM) had identified in the Toumbokro area, a gold deposit of 4.35 million tons with a grade of 5 g/t.

108. Furthermore, SODEMI had evaluated, through computer assisted calculations, the geological and mining reserves of the Samataley platinoid based copper and nickel deposit in the Man area, to be 11 million tons with 0.27% Ni and 0.27% Cu of 0.2% Ni minable content.

109. In order to promote mining research, SODEMI had rehabilitated its laboratory with financial assistance from the Canadian International Development Agency (CIDA). The laboratory was currently very reliable in mineral analysis and ore processing.

110. As concerns mining development, the societe des mines d'Ity (SMI) in which SEMI had 60% shares and the compagnie francaise d'Ity 40%, had started to produce on 30 January 1991. The mining maximum capacity would be 110 000 tons of ore per year with a minable grade of 10 g/t.
111. The Société des mines d’AFEMA (SOMIAF) in which SODEMI has 32% shares and the compagnie canadienne EDEN ROC MINERAL, was responsible for the exploitation of the ASUPIRI-ANUIRI gold deposit in the south-east of the country. The reserves were estimated at 2.5 million tons with a minable grade of 3.5 g/t. It was expected that production would start during the second half of 1992.

112. The pre-feasibility study requested by SODEMI and the Société canadienne Trillion Ressources, on the Sipilou laterite nickel deposits whose reserves were evaluated at 81 million tons with 1.65% nickel, content estimated an investment of about US$ 630 million to produce almost 34 000 tons of nickel through the pressurized acid leaching process.

113. The representative of Malawi informed the meeting about the policy and Strategies for Mineral resources development in his country. The overall policy objective for this sector was to maximize the economic benefit to the nation through the exploitation of mineral resources, both from existing and possible new ventures. This involved public and private sectors in delineating, evaluating and, where viable, exploring resources using appropriate technologies. The benefits would accrue in a number of forms including the diversification of the economy and the expansion of industrial employment, both directly and indirectly. There would be increased foreign exchange earnings, the substitution of domestic for imported materials, a reduction in excessive rates of depletion in other natural resources (in particular the substitution of coal for fuelwood) and a wider geographical distribution of industrial development.

114. This policy involved taking action to:

(a) Implement an accelerated programme of mineral exploration and technical and commercial evaluation, combined with the active promotion of identified commercial opportunities to potential domestic and foreign investors;

(b) Undertake selective direct public or quasi-public sector investment in mining ventures, in particular where a strategic mineral was concerned, or where the private sector was unwilling to invest;

(c) Establish a systematic inventory of mineral resources, and collate this with the forecast pattern of future domestic industrial development and opportunities in international markets;

(d) Establish a package of appropriate incentives for foreign investment in the sector which recognized the unique nature of mining investment;

(e) Design and execute packages of financial assistance, training and technical extension services to viable existing and new small-scale mining ventures;

(f) Intensify the research and development effort concerned with the discovery assessment, extraction, processing and marketing of minerals; and

(g) Strengthen the capability of the Development of geological Survey, the Department of Mines, and the Mining Investment and Development Corporation to supervise, organize or undertake mineral development activities.
115. The representative of the World Bank mentioned that while the world outlook for mining during the 1990s remained favorable and the major political and macro-economic constraints to African mining development were being removed, a lot remained to be done in adjusting national and regional mining sector policies. The Mining Acts, administrative procedures for issuing exploration licenses and mining titles, mining taxation and foreign exchange regulations, and assistance programmes for small mining all needed revision or strengthening in most African countries. Two major risks could arise if concerted action was not taken in those areas. First, there was a risk that the mining sector would continue to lag behind the adjustment in other sectors. African mining would continue to attract insufficient investment and remain stagnant during the 1990s. Second, there was a risk of excessive competition for mining investment among African countries. This risk would arise if African countries implemented mining policy reforms without effective co-ordination. ECA, the SADCC Mining Sector Co-ordinating Unit and the World Bank could help the African countries to design effective mining policies while preventing costly competition for investors.

116. The representative of SADCC indicated that a programme of action to implement areas of co-operation among African countries and regional groupings was needed. Further actions/activities suggested included the removal of trade barriers investment and shareholding across borders; international customer-oriented products, niches, information dissemination and exchange of programs. In conclusion, he mentioned that bodies/institutions could be appointed to oversee or report on the progress of these actions.

117. Concerning implementation of the recommendations of the first, second and third Regional Conferences on the Development and Utilization of Mineral Resources in Africa, the Director General of the ESAMRDC informed the meeting that the ESAMRDC had implemented the following: (i) strengthening of the Centre's capabilities and capacities (ii) implementation of mineral-related programmes (iii) intensification of collaboration with countries and institutions within and without Africa in mineral-related activities.

118. He said that in order to strengthen its capabilities and capacities for mineral development, the ESAMRDC embarked on a programme involving the construction of its laboratories in Dar-es-Salaam in December 1989 and that the construction was expected to be completed in mid-May this year.

119. He added that once the facilities become functional many of the activities requiring laboratory services would be undertaken in-house. He added that it was planned to use these facilities for training on-the-job of technicians as well as the training of professionals through the undertaking of research and development activities.

120. Regarding the implementation of mineral-related programme the Director General said that the Centre embarked on the implementation of project involving the production of Partially Acidulated Phosphate Rock (PAPR) to be used as a cheap fertilizer in the rural areas. Also the Centre's Rock and Soil Mechanics Laboratory had undertaken work done at the Buckreef Gold Mine in Tanzania whose results may be used to institute improved mining operations.
121. In the area of geophysics the Director General said that the ESAMRDC had embarked on a programme involving the digitizing of older geophysical data from the countries of the eastern and southern subregion. It was expected that this information would improve knowledge of geological phenomena on regional scale and would lead to a better understanding of the process which had produced deposits of oil, minerals and other geological resources and assist in the delineating of new targets. He also said that the ESAMRDC, with the help of the International Atomic Energy Agency (IAEA) had acquired and installed radiometric calibration equipment Dar-es-Salaam. He called upon geoscientists in the Africa region to use the facility to calibrate their airborne and ground gamma-ray spectrometers.

122. Regarding collaboration the Director General said that the ESAMRDC had established relationships through the signing of memorandum of understanding with more than 20 governments, national and international institutions and agencies in the area of mineral development. Programmes with some of these institutions were under implementation.

123. In conclusion the Director General urged member States to utilize the ESAMRDC facilities in the implementation of some of their mineral development programmes for which the Centre was equipped to implement. Furthermore he called upon countries in Eastern and Southern Africa who were yet to become members of the ESAMRDC to do so in order to assist the ESAMRDC increase its performance and for those countries to benefit from the services that the ESAMRDC was able to offer.

124. The representative of the Liptako Gourma Authority informed participants of activities carried out by the Authority in the area of mining research between 1986 and 1990, outlined the Authority's guidelines relating to mining research in its member countries and mentioned the projects currently being carried out by his Organization. These included projects to evaluate and upgrade gold deposits in the Liptako Gourma area, integrate national geological services and organize colloquiums in countries of the subregion.

125. The representative of the Economic Community of West Africa (CEAO), informed the Conference of aspects relating to the mining sector that figured amongst their preoccupations. These aspects were essentially devoted to training. They also gave an overview of the Ecole des mines et de la géologie de Niamey (Niger). This school which is commonly known as EMCG, is one of the six community institutions of CEAO. Its objective, since its creation by the fourth General Assembly of Heads of State and Government held in Bamako, is to train 36 engineers and 60 technicians a year, in the area of mining, electronic and mechanical engineering.

126. The statement of the representative of the United Nations Industrial Development Organization (UNIDO), focused on small-scale gold mining in Mauritania. In fact, he was informing the Conference of certain detailed studies conducted by his organization in this sector.

127. The representative of EUROMINES informed participants about the origin, objectives, composition, operating methods and achievements of the Association.
128. The Association originated from the recession and diversity of the European mining landscape during the 1930s, which necessitated the establishment of a forum for consultation. As such, the objectives of the Association were to establish collaboration between mining operators, the various professional associations in the sector and Governments.

129. EUROMINES comprised the 12 countries of the European Economic Community as well as Finland, Austria and Sweden as observers. The tripartite consultation established among Governments, mining operators and the EEC had led to the formulation of proposals in a summary document that had received the support of the Council of Europe.

130. The results of the various activities related to the mining industry (development research, training, taxation, geological data harmonization, etc.) were now taken into account and considered in a concerted spirit.

131. He concluded by stating that EUROMINES already had good relations with Latin America and Asia and that it would like to develop the same kind of cooperation with Africa. He reckoned that African countries would have much to gain from establishing a similar association which would be in keeping with the concern for the strengthening of intra-African co-operation expressed during the Conference.

132. During the debates that followed the presentation of the various papers on this agenda item, the representative of Nigeria requested the delegations of Tanzania and Zambia to inform him about their experience in combating fraud in precious minerals. The two delegations emphasized the confidence of craftsmen and the role of the central banks in the trade of these substances as well as the modalities for fixing prices. After commenting on the question relating to the management of semi-public institutions, raised by the representative of the World Bank, the Director of Eastern and Southern African Mineral Resources Development Centre, expressed the wish to see the Conference adopt a recommendation on this subject, while insisting on competence during the selection of managers. He also mentioned that certain mineral resources could, in the near future or in ten years, present better prospects at the international level and inquired if the Bank could assist countries endowed with these resources in their planning and exploitation. The unstable world market, characterized by demand and price fluctuations, which makes such an undertaking hazardous was emphasized in the response of the Bank's representative. In citing Zambia as an example, he stated that it was necessary to hand over all the new mining projects to private individuals so as to help the Government avoid risks inherent in the execution of the said projects.

133. The representative of Senegal took the floor to stress the need to obtain funding from the World Bank. While insisting on the geological potential, political stability and the mining policy of the host country, he exhorted African countries to co-operate in the area of mineral resources development.

134. In relation to the presentation made by the EUROMINES representative and the ensuing debate, the Conference decided to mandate the secretariat to prepare another study on the establishment of African mineral associations. To that end, ECA should draw inspiration from existing Associations such as EUROMINES.
Consideration of conditions for increasing the production of gemstones and semi-precious stones as well as precious metals by small-scale mining operations in such a way as to enhance their contribution to the reduction of Africa’s balance of trade deficit, on the one hand and to the economic and social development of the region, on the other: small-scale gold mining [agenda item 5 (a)]


136. The study carried out on the above issue had shown that not only were small-scale operations (artisanal and semi-industrial) employed in several African countries, but also some countries had a large number of sites; Burkina Faso had 117 and Ghana 258. As a result, the share of that type of operations in the general output of the continent, which already stood at 40 per cent, was on the increase.

137. Reviewing the current situation of the small-scale operations in four countries of the West African subregion, it was observed that despite the high number of gold washers, both the organization and equipment were very deficient. However, the organization of operations in Ghana, could serve as a model.

138. On the issue of mining legislation and regulation divided into two groups, anglophone/lusophone, on the one hand and francophone/Belgium on the other, the study indicated that few of the legislation gave a special place to small-scale operations. It was emphasized, however, that some countries such as Ethiopia and Ghana were endeavoring to remedy the situation at the general level and others such as Burkina Faso and the Niger simply at the commercial level. Some subregions (SADCC, Liptako Gourma Authority) were attempting to harmonize their legislation and recommendations.

139. By way of guidance and taking account of the constraints identified, it was indicated that in the attempts to formulate specific regulations, something which was strongly recommended, member States should aim at simplicity, a reduction of the role of middlemen, the offer of attractive prices, technical social and medical assistance and finally environmental protection.

140. With regard to the processing, use and marketing of gold, the study suggested that: (a) initiatives should be taken to establish subregional refining units (possibly with Zimbabwe serving as a centre for Eastern and Southern Africa and Ghana for West Africa); (b) studies conducted on the possibilities of intensifying and modernizing the gold smithing trade in Africa; and (c) efforts made to ensure better control of domestic marketing channels.

141. After proposing strategies and policies on legislation, equipment, trade, social measures and the environment, the study indicated that the development of the small-scale mining sector could be a positive and a significant asset to the national economies of African countries.

142. The presentation was followed by a debate in which many useful ideas emerged.
143. The representative of Zambia noted that although the study had proposed strategies, it unfortunately did not suggest how to implement them. The secretariat replied that it was its wish that such measures should be defined through debate.

144. The representative of UNIDO drew the attention of participants to the dangers that the use of mercury in gold processing could have in the environment as had been observed in Latin America.

145. In reply to the question as to what the situation of the substance was in Africa, it was replied that currently small-scale operators did not use chemical products.

146. A representative of Burkina Faso explained the measures taken by his country with regard to the use of mercury and sodium cyanide in industrial operations.

147. The representative of Uganda explained that after taking a series of measures in connection with artisanal collection of gold, without success, the Government now seemed to have found an interesting formula which had increased current gold collection. The formula was based on: (a) trade liberalization; (b) involvement of the Central Bank in purchases; (c) sensitizing the gold producers in the villages to know that the more gold they delivered into Government hand, the more development projects the Government would undertake; and (d) paying a competitive price for the gold.

148. A representative of Tanzania also gave an interesting account of the situation in his country. He explained that after the virtual disappearance of gold for several years, a law promulgated on small-scale operations and the issuance of licenses to private buyers, together with the involvement of the Central Bank in gold purchases and finally technical assistance by the State, had led to a significant increase in gold purchases (1.5 tons in one month in 1991).

149. The representative of the Niger also outlined the actions taken by the authorities of his country in the context of gold washing. The basis of those actions were that a multi-disciplinary survey (security, health, environment) had been conducted prior to the drawing up of legislation. However, given the difficulties encountered, additional texts were being established.

150. The representative of Cameroon informed participants of the current attempts by his country to revise the existing mining law and the provisions of the decree of 1974 on artisanal gold exploitation. He indicated that the revision of the mining law aimed at too many objectives namely: (a) attraction of foreign investors into Cameroon's mining sector; and (b) involving nationals in mining operations and particularly in organize small-scale gold production. The main concern in revising the 1974 decree was to better control the production and the commercialisation circuit of gold so as to minimize smuggling. It was expected that the active role of the Central Bank in gold purchasing would be instrumental in promoting that activity. He also expressed satisfaction with the contribution of Uganda in highlighting the important role the Central Bank played in his country in the domain of small-scale mining.
151. The representative of ILO stressed the importance of paying adequate attention to safety, health and training aspects in the mining sector in Africa and in particular in small-scale mining. She therefore suggested that a recommendation should be included the report of the meeting, to be submitted to the Ministerial Session for approval, concerning the improvement of working conditions, occupational safety and health and training. It seemed, particularly urgent, inter alia, to undertake a study investigating the exposure of workers to toxic substances such as mercury used in gold mining. The ILO representative drew attention to ILO's readiness to assist the technical expertise in the fields of its competence as and when required.

152. Given the importance of small-scale mining as a major source of income generation in many African countries, the ILO representative also suggested that a recommendation should be made in the report to conduct a detailed analysis of the employment situation in the sector in the countries and to present the study with its recommendations to the next Regional Conference on Mineral Resources to be organized by ECA in 1993. The study should cover, among other things, job security, women at work and child labour. The ILO representative underlined the readiness of her organization to provide technical advisory services in the above-mentioned fields as and when required.

153. Finally, at request of the representative of ESAMRDC some representatives of Burkina Faso explained how gold collection and marketing were carried out in their country. They indicated that while the sale of gold abroad was a state monopoly entrusted to a state owned establishment called the Comptoir burkinabé des metaux précieux (CBMP), collection from producers was done within the context of government projects and by small companies and authorized intermediaries. He added that all those collectors, just like the CBMP, used the services of buyers issued with cards to purchase from producers directly at the mining sites.

154. Concluding the debate, which had also emphasized fraud and the environment, it was acknowledged that efforts were still needed to improve mining, processing, collection, regulation and environmental protection in the field of small-scale and semi-industrial gold mining. ECA was therefore invited, in collaboration with ILO, the subregional economic groupings and member States, to continue the reflection and studies on the matter.

Consideration of Africa's potential in gemstones and semi-precious stones [Agenda item 5 (b)]

155. A consultant for the ECA secretariat introduced document ECA/NRD/FRCDUMRA/2 concerning the African potential for precious and semi-precious stones production. The document reviewed African gemstone production and made the following conclusions and recommendations.

156. Governments and regional trade communities in Africa were advised to develop bourses or commission commercial banking networks to provide marketing facilities for small-scale gemstone miners, in order that they could deal directly with a choice of international buyers. Systems should be designed to eliminate "middlemen" or any revenue advantage to be gained by smuggling to an adjacent
state. As such, common legislation and fiscal regulations amongst regional communities were recommended.

157. As the prime producer it was recommended that the small and large-scale producers of gemstones be allowed to retain, within the commercial banking of the host country, 50% of the foreign earnings from the export of rough gemstones and 100% of cut and polished goods. Such foreign exchange retention should be allowed to be spent by the producers on the imports of anything which could contribute to the development of the country and not just mining machinery. For those who had invested from outside of Africa, a portion of the foreign exchange earning, equivalent to 110% of the ruling prime interest rate of the country of origin of the investment, should be allowed to be remitted annually, provided the mining operation had made a taxable income in terms of the host country fiscus.

158. Bearing in mind that the gemstone producer of Africa was competing with the free-markets of the world, it was recommended that the tendency amongst fiscal planners in Africa to "milk" the "luxury good trade" should be resisted. The local and regional fiscus should rather wait for the profit stage of primary raw material production before taxing the economy. Indeed it was the "value adders" and the "service providers" who could be taxed once a constant stream of production was established and the economy was "ticking over". Export duties were disincentives that should be scrapped in favour of value and incentives.

159. Standing in the way of significant expansion of small and large-scale mining development in Africa, was the poor transportation network. It was recommended that 200% of certified expenditure on road and bridge construction be allowable against taxable income from mineral exploitation. In this way remote resources that were currently being ignored could become more competitive and contribute towards the planned opening up of the gemstone resources of the continent as a whole; especially if regional trade communities could integrate these development.

160. Governments needed to use their mineral resource administrations to educate the indigenous miners about known occurrences of gemstones in their countries and advertise the production to the international market, rather than relying on the dealers to come searching for goods. Further more, it was recommended that the administration either provide or contract expertise to undertake initial training amongst school leavers for roles in the gemstone trade including mining, treatment, manufacturing and marketing.

161. The presentation promoted a lively discussion particularly in regard to the proposals on foreign exchange credits. The Zambian and Ugandan delegates sought clarification on how host governments would benefit after a 100% credit of foreign exchange. In answering the consultant reassured delegates by confirming that under such circumstances the miners would pay their local expenses taxes out of their foreign exchange earnings.

162. The Nigeria delegate informed the conference that his country possessed some substantial occurrences of gemstones in about five states of the federation. Though systematic evaluation was yet to be carried out, field observations indicated the presence of considerable reserves of precious and semi-precious
stones. So far the available information point to a considerable Nigerian potential for precious and semi-precious stones production. At the moment gemstones were produced by a number of authorized miners and unlicensed individual miners. The instruments under which gemstones were possessed and exported were the license to purchase gemstones and export clearance, respectively. Some efforts had been made to curtail the illegal mining and trading in gemstones, but government was determined to gain the confidence of all the field operators (authorized and illegal) with a view to reducing the illegality in gemstones mining and trading. Government intended to use legislative, fiscal measures, mutual trust and understanding to overcome the present difficulties attendant upon unorganized gemstones exploitation and marketing. Adequate space would be accorded small-scale gemstones mining and the establishment of lapidaries in the intended up-dating and revision of the mining legislation. Finally Nigeria would endeavor to implement all Regional Conferences recommendations that would result in the most effective and efficient exploitation and marketing of precious and semi-precious stones.

The iron industry in Africa during the period 1980-1989 and prospects for the 1990s (agenda item 6)

163. A representative of the ECA secretariat introduced document ECA/NRD/FRCDUMRA/3 Summary prepared jointly with the Commodities Division of the United Nations Conference on Trade and Development (UNCTAD). The document reviewed the situation of iron and steel industries in the world and on the continent during the past decade and assessed prospects in Africa for the 1990s. He mentioned the difficulties faced by the steel industry during part of the 1980s, more specifically from 1982-1986, difficulties related to persistent production over capacity, the continuous slide of prices and a gradual decline of demand as a result of the stagnant world economic situation at the time, technological and structural changes and product quality requirements.

164. From 1987 onwards, the situation had improved following vigorous action by iron steel industries, including the reduction of surplus capacity, modernization of installations and a lowering of production costs. Steel production increased close to the levels of 1973, when production began to decline. The upturn continued in 1988 and 1989.

165. The impact of those measures on the development of iron ore deposits had been the importance accorded the major deposits likely to provide both cheap and high quality products, such as the CARAJAS project which enabled Brazil to emerge as one of the major iron ore producers (the second largest) in the world.

166. On the continent, the overall trend had rather been downwards. Iron ore production in developing African countries had declined continuously by 0.6 per cent per year, despite the exceptionally favourable world market conditions during the last two years of the past decade. Globally, the relative position of African countries as iron ore suppliers had deteriorated, with the share of Africa (including South Africa) in world output falling from 3.7 per cent in 1980 to 3.3 per cent in 1989. With regard to crude steel production, Africa's output had doubled during the period 1980 to 1989 from 2.6 million to 6.4 million tons. Despite that increase, Africa's production had remained marginal as it accounted
for less than one per cent of world output. The level of consumption of iron and steel on the continent also remained very low. The 1989 figures for the two substances had accounted for only 0.9 per cent and 2.5 per cent of world consumption.

167. The prospects for iron ore production in Africa during the 1980s were analyzed in the light of the structural and technological changes that had occurred in the iron industry with respect to mining legislation and investment codes, the environment, general trends in world iron ore supply and demand, existing production capacities and projects for the expansion of those capacities, investment possibilities and financial requirements in the iron and steel industry.

168. With regard to the structural and technological changes, participants focussed attention on the increasing use of special steels, downsizing and substitution that had considerably affected steel demand.

169. The increase in the production, consumption and volume of sponge iron obtained by direct reduction was noted. In the 1980s, most African countries had begun to revise their legislation and codes prepared in the wake of independence to take account of the trends in economic policies and ideas that had prevailed in the 1980s, in order to create a conducive atmosphere for investment.

170. In case of the environment, the representative of ECA mentioned that current landscape rehabilitation techniques applied by the mining industry were very advanced and well-controlled. As such, clauses providing for funds (guarantee funds for the rehabilitation of the landscape, etc.) were very important in order to reduce the effects of mineral resources mining on the environment to a minimum. There should be increased negotiations among African Governments and investors on such clauses within the framework of contracts and conventions on future projects.

171. He continued by mentioning the impact that environmental considerations could have on the selection of iron and steel manufacturing branches and cited the case of the use of wood in pig iron production. He emphasized in that regard that while paying special attention to environmental matters (deforestation, global warming etc.) the continent could increase coal production and consumption to meet industrial requirements and to counter the very high oil prices.

172. After indicating the substantial financial resources required by African countries to implement the programmes of existing production units and the weight of the continent's external debt, the speaker informed participants of the intervention of EEC and the World Bank in the iron and steel sector, particularly in the area of feasibility studies, modernization of installations and improvement of productivity.

173. The strategies for the development of African iron and steel industries should take account of the resources required by those industries to diversify their operations and to achieve optimal combination of those resources. Account should also be taken of the possibilities for regional co-operation which was becoming increasingly important, particularly after the recent events in the Eastern bloc countries and in the Persian Gulf.
174. During the ensuing debate, the representative of Mauritania gave further information and clarification on the Rhine magnetic ore beneficiation factories and on M’haoudat deposit, whose production was expected to gradually replace that from Kedia d’Idjl where reserves would be depleted during the 1990s. He also confirmed the iron ore mining potential of Aouj, which would be used for the manufacture of pellets for the existing and planned direct reduction factories in the North African and Middle Eastern countries. He finally underscored the need for African iron ore producing countries to make concerted effort to intensify their co-operation to counter international market trends (Europe 1992) and suggested that a forum should be created for African countries to discuss aspects of the development of their iron and steel industries.

175. The representative of Cameroon also gave some information on the iron resources of his country and stressed the need for African countries to develop joint projects for the exploitation of border deposits. ECA should play a primary role in the promotion of that type of co-operation.

176. The representative of the World Bank focussed his intervention on co-operation, citing the example of the MIFERGUI-NIMBA project involving Guinea, Liberia and private investors. One of the constraints in the implementation of the project was environmental considerations. The Nimba chain in Guinea had been declared a world heritage and some organizations such as UNESCO were concerned about the preservation of the ecosystems of that chain. The speaker added that a solution should be found to enable mining of the deposits which were becoming increasingly important with the depletion of the reserves of certain known iron ore deposits and in view of the needs of the European steel industry. He concluded by saying that ECA would perhaps have a role to play in the search for that solution.

Mineral resources development and environmental protection in Africa (agenda item 7)

177. A representative of the ECA secretariat introduced document E/ECA/NRD/FRCDUMRA/5 concerning mineral resources development and environmental protection in Africa. The document contained observations, conclusions and recommendations as listed below.

178. The extreme and widespread poverty which prevailed in Africa; the very low consumption of minerals in the region; and the negative effects often associated with the development or non-development of mineral resources, constituted major environmental problems in the continent.

179. Concerted regional and worldwide attack on the social-economic roots of extreme poverty was necessary for sustainable development. This would entail inter-alia, measures to increase the utilization of mineral resources in the production of goods and services required by the African people, and the adoption of mineral development practices which did least harm to the environment.

180. Africa was endowed with a vast variety of mineral resources. However, because mineral resources were unevenly distributed among countries, there was and probably would be a high degree of interdependence among nations in the
process of procuring minerals required for economic development. It was thus imperative for the African countries to create the necessary political, economic and technological environments to enhance the development of the mineral resources of the region to meet the needs of the African people.

181. Within the African region there were environmental problems caused by the non-development of indigenous mineral resources as well as those caused by existing mineral industries. Among the environmental concerns caused by the non-development of mineral resources included civil strife in some countries; development policies which drove away private initiative in others; and lack of political will at the country levels for bilateral, subregional and regional cooperation in the development process. These negative factors deprived the African people of potential economic and social benefits which would have arisen out of mineral development, worsened the continent's living standards, and contributed to the physical deterioration of the environment. The elimination of these negative factors was therefore necessary in order to enhance the living conditions of the Africa people through the development of the continent's mineral resources.

182. Adverse environmental effects on the environment caused by mineral resources development could have local, regional or global dimensions. Moreover, the effects differed in the amount of time they took to become realizable. Furthermore, they differed in severity and reversibility. Local environmental problems (such as solid waste disposal) were those which were confined within the boundaries of a particular country. Regional environmental problems (such as the pollution of a shared river systems) resulted from biophysical linkages among a group of countries. Global environmental problems (such as the release of gaseous pollutants to the atmosphere) influenced the composition of the biosphere and thus affected all countries.

183. Many of the existing large to medium-scale mineral industries of the region were relatively old and therefore might not be operating at safe environmental standards. It might thus be advisable for some of these industries and the host governments to institute measures to bring these industries to currently acceptable environmental operating conditions. Likewise, new mineral development projects in the region had to incorporate the most up to date environmental conservation and protection measures in order to bring the African industry to world acceptable environmental standards.

184. Additionally, at the present level of mineral development in Africa, the introduction of workable policies, the provision of training and technical assistance, and the provision of physical infrastructure by governments would limit the social and physical environmental degradation caused by small scale mining operations in several countries.

185. For those countries producing minerals known to cause health hazards such as uranium and asbestos, safe working conditions, the introduction of safe means of disposing of waste resulting from mineral development, the ban on the importation of hazardous waste from countries outside Africa, the rehabilitation of mineral development sites etc., should be practised to avoid damage to the environment.
186. The countries of the African region should learn from the experience of other countries on the development and implementation of environmental regulations on the mineral industries. It was increasingly becoming a universal requirement for environmental impact assessments to be undertaken on mineral development projects at the design stages so as to incorporate environmental conservation and protection measures before projects commenced operation. Similarly, the introduction of new technologies in old mineral development projects to conform to present and future environmental standards was increasingly becoming common in the mineral industries of the world, and would be relevant to some African countries.

187. At the regional environment level, much of the current production of minerals in Africa was not fully processed before export, and the African mineral industries were not integrated with other development activities within the producing countries or in the African region. Thus, the minerals produced in the African region were not contributing fully towards alleviating the widespread poverty in the continent. In order to reverse this situation, cooperation by African countries and investors was required so that mineral development in the regional could be linked with other national and regional activities intended to produce goods and services for the majority of the African people.

188. At the global level, the contribution of the most of developing Africa towards such environmental problems as acid rain and the greenhouse effect was currently mineral in view of the very small amounts of minerals processed and consumed in the region. However, as energy intensive mineral processing activities expanded, and industrialization and mineral consumption increased to meet the needs of a growing population, the contribution of global environmental problems by Africa was likely to increase. Thus the African countries would have to join the world community in devising ways and means of achieving the sustainable development of their mineral resources.

189. Within Africa, information regarding measures taken to conserve and protect the environment in the process of mineral resources development was very scant. The ECA secretariat would highly appreciate receiving such information from Africa governments, mining and mineral related industries, research institutions, among others, for the preparation of an Africa-wide study for use by all interested parties at a future date.

190. During the discussion following the presentation of the document, the representative of the Niger noted that the mining legislation of his country, currently being revised, contained provisions relating to environmental protection. The bill required the conduct of a study on the impact on the environment of every mining project, the rehabilitation of mining areas and State control over the management of solid and liquid wastes from mining. He added that environmental protection in artisanal operations and in quarrying posed some difficulties. In the specific case of radiological hazards related to uranium mining, a laboratory had been opened with the assistance of the International Atomic Energy Agency to control the effects of the mining on workers and the environment. He concluded by stating that there was legislation on radiological hazards, (Decree no. 31/MMH) which defined, among other things, the obligations of operators and workers and maximum dosages.
191. A representative of Burkina Faso similarly stressed the necessity for environmental impact assessment and environmental management plans for mineral related industries. While acknowledging the problems associated with artisanal mining, he proposed some form of environmental taxation for operators and the subsequent rehabilitation of the affected areas by government agencies.

192. In response to a question by the representative of ECOWAS a representative of the ECA secretariat expressed the view that taking account of the very low level of industrialization and mineral consumption in Africa, the region had for survival purposes to expand industrialization and mineral consumption while it simultaneously joined the world community in devising ways and means of achieving environmental sustainability in the process of development.

193. A consultant of the ECA observed that practically all major mineral development companies in the developed countries currently undertook environmental impact assessments for their projects and even shareholders now insisted on the operation of mineral related projects using acceptable environmental standards. It was the responsibility of governments to penalize those companies which did not comply with safe environmental practices.

194. The representative of SADCC observed that there were areas of improvement on environmental protection measures in the sector of mineral resources development as might be evident in some existing operations.

195. The representative of Cameroon stressed the need for co-operation by African countries in regional and subregional environmental matters. He in particular stressed that marine pollution and toxic waste disposal were areas where such co-operation was needed. A representative of the ECA secretariat agreed with these observations and confirmed that recently the Organization of African Unity (OAU) adopted a convention on the trans-boundary movement of toxic waste and the banning of the importation of toxic waste in the region.

196. The representative of ECOWAS informed the meeting that the organization had a committee on environmental matters and that a watch dog committee had been set up to ensure that no toxic waste was imported by the subregion.

197. The representative of UNIDO stressed on the use of environmentally safe technologies for mineral development, for example bacterial leaching of copper ores and refractory gold ores.

198. A representative of the United Republic of Tanzania informed the conference about environmental legislation and monitoring mechanisms that existed in his country. He pointed out that the legislation was in the process of improvement to cope with serious cases such as those in the chemical industries.

199. The representative of Zambia pointed out that reclamation of areas worked by small-scale miners as required by national legislation posed problems as the miners lacked resources to comply with the national regulations.

200. The representative of Guinea informed the conference that his country faced the same environmental problem by small-scale miners as that outlined by
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Zambia. Moreover, Guinea faced another environmental dilemma at Mt. Nimba where large iron ore reserves were located in a zone classified as a world heritage area. The area was also flooded with refugees from Liberia who had to survive in this delicate environment. He expressed the hope that a solution would soon be found for the development of the area in the best interests concerned parties.

201. The SADCC representative proposed national taxation which could constitute a common fund for environmental protection. Such a fund could then be used for the restoration of mined out areas including those by small-scale operators.

Considerations of conclusions and recommendations of the meeting of the Technical Preparatory Committee of the fourth Regional Conference on the Development and Utilization of Mineral Resources in Africa (agenda item 8)

202. After the debates that followed the various presentations, the Conference adopted the following conclusions and recommendations which will be submitted to the Ministerial Session for consideration.
CONCLUSIONS AND RECOMMENDATIONS

Preamble

The Conference of Ministers responsible for mineral resources development and utilization in Africa, meeting in Ouagadougou, Burkina Faso, from 25 to 27 March 1991, mindful that the objectives of the Regional Conferences on the development and utilization of mineral resources in Africa are to promote cooperation by the countries of the region in their mineral development activities, having reviewed and considered:

(a) The progress achieved in implementation of the recommendations made by the three previous Regional Conferences, developments that affected the mining sector during the period 1988-1990 and prospects for the 1990s.

(b) The conditions for increasing the production of gemstones and semi-precious stones as well as precious metals by small-scale mining operations in Africa in such a way as to enhance their contribution to the reduction of Africa’s balance of trade deficit, on the one hand and to the economic and social development of the region, on the other: (a) small-scale gold mining, (b) Africa’s potential in gemstones and semi-precious stones.

(c) Iron ore production in Africa and future prospects for the region’s iron and steel industry.

(d) Mineral resources development and environmental protection in Africa;

made the following conclusions and recommendations for implementation by member States, subregional and regional institutions and international organizations.

I. Mineral development policies

In order to (a) improve the flow of investment towards mineral development in Africa, (b) enhance subregional and regional co-operation based on mineral development in the region, and (c) to prevent costly competition among investors in the African member States in the mineral resources development sectors of member States, the fourth Regional Conference on the Development and Utilization of Mineral Resources in Africa mandates the ECA, ADB and the World Bank, in collaboration with relevant African intergovernmental institutions, (OAU, SADCC, PTA, ECOWAS, ECCAS, AMU, CEAO, CEPGL, ESAMRDC, CAMRDC, etc.) to undertake a comparative study on mineral development policies in Africa, with a view to recommending areas for improvement of these policies at the national level, and the co-ordination of these policies at subregional and regional levels.
II. Financing of mineral resources development

Recommendation 1

The fourth Regional Conference on the Development and Utilization of Mineral Resources in Africa,

Noting the involvement of the African Development Bank (ADB) in the mining sector of the continent, its current intervention mechanism in the said sector, and taking into account the importance of the mineral resources sector as an industrial and socio-economic development base,

Reiterates its appeal to ADB to establish within the Bank a special mechanism for financing mineral resources development projects in Africa. To this end, it requests ECA to renew contacts with the Bank to negotiate the possibilities and modalities of establishing such a structure within the Bank.

Recommendation 2

Taking account of the inadequate financial resources devoted to the African mining industry in the 1980s,

Considering that African States must demonstrate, with firmness, their will to develop the continent's mining sector; the fourth Regional Conference requests member States:

(a) To create financing mechanisms such as special funds for mineral resources exploitation development and for assisting small-scale operators,

(b) To encourage development, commercial and investment banks to make provisions for investment loans for mineral resources exploration, exploitation and development.

III. Strengthening of manufacturing and trade

African countries should endeavour to establish down stream industries to increase value added of their minerals.

African States should endeavour to increase the consumption of their mineral raw-materials within Africa as well as products and articles manufactured from them. There should be an increase in exchange in information on the capabilities of each member State to render effective the intra-African trade in mineral commodities and mineral based products.

IV. Institution building and strengthening

(a) In view of the important role that the African mineral resources development centres are expected to play, member States are urged to provide the necessary financial resources and increase their support to the existing mineral centres in Tanzania and Congo and to take all necessary measures to establish new centres where they do not exist.
(b) Regarding the Eastern and Southern African Mineral Resources Development Centre (ESAMRDC) and the Central African Mineral Resources Development Centre (CAMRDC) it is recommended that the countries in the respective subregions that have not joined these institutions, should do so as a matter of urgency in order to strengthen and increase these institutions capacities and capabilities. This will in turn enable these institutions to serve the contracting member States more effectively. Furthermore, the laboratories of ESAMRDC could be utilized by non-member States of the Centre pending the establishment of Centres in their subregion.

V. Gemstone industry

(a) African States should endeavour to establish frameworks to provide marketing facilities including auctioning, for small-scale gemstones miners to deal directly with local and foreign buyers. Necessary arrangement, should be made for equitable distribution of the foreign exchange earnings among producers, value-adding cutters and host Governments in order to promote the development of the country. There should be an education campaign to increase the awareness of the local miners regarding the known occurrences of gemstones, and Governments should advertise their production and facilitate access to precious and semi-precious stones.

(b) Efforts should be made by African countries to accelerate the setting up of small-scale precious stone cutting and polishing industries in Africa so as to maximize the added value and increase revenue from the marketing of gemstones.

VI. Small-scale gold mining

Since the improvement of small-scale gold mining is dependent on sustained technical assistance to miners, African States should make efforts to establish appropriate structures to this effect at State, subregional and regional levels. Necessary and appropriate equipment should be made available to individual miners and to semi-industrial mining operators. Moreover, the development of small-scale mining, particularly, gold mining should receive special attention and constant support. African member States should take measures to appreciably reduce or stop gold smuggling, both inter- and intra-State smuggling and ensure the effective control of the marketing circuits so as to increase Government earnings from this activity. Consultations among producers regarding pricing, incentives and other conditions should be encouraged.

Studies should be undertaken to examine if the working conditions of the work force and, in particular, of women and children in small-scale mining correspond to existing labour standards and if not, to make recommendations for their application.

The Conference recommends to member States within the context of small-scale and semi-industrial operations:

(a) To train management and the work force in the application of modern technologies for the extraction of gold utilizing toxic chemicals.
(b) To introduce chemical methods with a view to improving the recovery of gold.

(c) To take all the necessary technical measures to prevent any hazard to human health and the working and living environment.

(d) To include in their legislation provisions aimed at (i) the protection of the workers' safety and health at the work place, (ii) the environment and (iii) the rehabilitation of the mining areas.

The Conference mandates the ECA secretariat to conduct, in close cooperation with UNIDO and ILO, exhaustive studies to investigate the above-mentioned issues and to formulate recommendations for improvement when appropriate.

The Conference recommends that ECA should organize a seminar devoted to small-scale mining operations to consider the results of studies and actions taken by member States on equipment, working conditions, legislation and the environment in relation to this type of mining activity.

VII. Iron and steel industry

Noting the situation of African iron industries and the insufficiently developed steel industries. Noting also the need for African countries to establish and/or strengthen inter-State trade and, therefore, the need to exchange statistical information on their iron ore potential, requests ECA to take all measures to study the possibility of establishing an intergovernmental group of experts or an association on/for iron for the purpose and to report to fifth Regional Conference. Requests member States and subregional economic groupings to undertake joint ventures aimed at exploiting iron ore deposits with a view to setting up integrated steel industries.

VIII. Environment

National Environmental legislation regarding mineral resources development should take into account standards acceptable internationally. All mineral development projects in the region should be subjected to environmental impact assessment studies and operated under acceptable environmental management plans.

Provisions should be made in National Mining Legislation for taxes or levies which would contribute towards an environmental fund to be used for protection of the environment.

In view of the lack of information on environmental problems associated with African mining and mineral processing activities, the Conference urges mining companies, relevant institutions and member States to supply pertinent information to the ECA secretariat for purposes of establishing a data bank for research and development within the African region.
IX. Co-operation in the field of mineral resources development and utilization

The Conference (a) having recalled the decision of the second Regional Conference which requested ECA to prepare a study on the possibility of creating mineral resources associations in Africa and that of the third Regional Conference which considered the study and recommend that the subject of associations was premature at that time; (b) having noted the strong will of African member States to create an enabling investment environment in order to attract private investment in the mineral industries; and (c) taking account of the renewed interest in the establishment of mineral associations in the region as expressed at the present Conference, the ECA secretariat is requested to prepare another study to explore the possibility of creating African mineral associations, taking into account the experiences of existing similar associations in other regions such as Euromines.

X. Implementation of the Regional Conference Recommendations

The Conference recommends that the henceforth the bureau of the Conference and the ECA secretariat should constitute a monitoring structure for the implementation of the Conference recommendations. In addition: (a) each Government and the two existing mineral resources development centres should designate a contact person within the ministry responsible for mineral resources development who will be in direct contact with the monitoring mechanism through the ECA secretariat; (b) each subregional economic grouping should establish a monitoring unit.

Any other business (agenda item 9)

203. The representative of Nigeria informed participants that his country which had cement and steel plants needed exchange of information with regard to the supply of gypsum and coking coal. The country would also be interested in co-operating with any African country which possessed such minerals as well as certain alloying metals necessary for the manufacture steel products.

204. A representative of the secretariat mentioned that within the context of the preparation of technical publications on mineral substances, ECA had prepared a document on the potential and production of coal in Africa and that the document would be distributed to member States in the near future.

205. The representative of ECA also informed participants that the Commission was going to publish a directory of mineral resources development and utilization experts. A questionnaire to that effect had been circulated to member States and that the States are requested to fill them in and return them to the secretariat.
Agenda for the Ministerial Session of the fourth Regional Conference (agenda item 10)

206. The following provisional agenda for the Ministerial Session of the fourth Conference was adopted.

1. Opening session.
2. Election of officers.
3. Adoption of the agenda and organization of work.
4. Statements by delegations.
5. Consideration of the report and conclusions of the Technical Preparatory Committee.
6. Any other business.
7. Date and venue of the next Regional Conference.
9. Closing session.

Date and venue of the next Regional Conference (agenda item 11)

207. The Conference noted the offer by Guinea to host the fifth Regional Conference which will take place in 1993. Dates for the Conference will be fixed at a later date, after due consultations between the Government of Guinea and the secretariat of ECA.