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Back -to- office Report

World Bank Multilateral Investment Agency's Symposium on African mining investment and business opportunities

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- Rights for the discoverer of a deposit to mine it;
- Right for the minerals producer to market its products;
- Tax reduction/exemption;
- Free repatriation of profits, dividends and other gains from mining undertakings,

and are very competitive.

Thematic session on the Mining Finance In Africa

General presentation

7. Papers under this theme mentioned different financing sources of mining projects in Africa and stressed the role of foreign direct investment in the revitalization of the Africa's mining sector. They also discussed factors which could hold back private investors to venture into the Africa's mining sector. Among these factors are political instability and poor infrastructure.

8. Some speakers referred to the "disappointment" of the international financing community with the CIS and other Eastern Europe countries regarding investment opportunities in that part of the world, and mentioned that the geology of the Continent, the availability of exploration acreage, added to the efforts of the African governments to provide the international financial community with an "enabling" legislation and a "workable" investment code, could make Africa, the focus of the next mining boom, if... the Continent improves among others, its political situation and infrastructure.

ECA's contribution to the symposium

9. Being located in Africa and dealing with issues on the socio-economic development of the continent including mining, ECA witnesses the events occurring in that sector and therefore was expected to talk about the progress made by African countries in attracting foreign direct investment in that sector. The full text of ECA's contribution entitled "**Privatization and financing of mining projects in Africa in the early 1990s**" is attached to the report. Following are the salient points of that contribution:

The diminution in importance of sources of financing of mining projects in Africa such as:

- Equity participation
- Internal cashflows of mining undertakings;
- Grants from bilateral and multilateral institutions;

- UN assistance(UNDP, United Nations Revolving Funds etc..),

noted in the late 1980s, had prompted various African governments to introduce changes in their minerals development policies/strategies, to attract private capital into their mining sector.

- . The wave of reform comes at a time of global policy shifts towards liberalization of economic sectors.

. Privatization is advocated by multilateral financial institutions and international organizations such as the United Nations Development Programme (UNDP) which is encouraging its development partners to reform their economic policies in order to attract foreign investment.

10. All this seems to indicate that:

- The major source of financing of African mining projects in the 1990s will be **investment from the private sector**, and in the absence of developed domestic capital markets and private sector in the Continent,
- **Foreign direct investment** appears as the main source of funds needed to revitalize the Africa's mining sector.

11. As a matter of fact, in some African countries, the adoption of privatization policies in the mining sector had already brought back many overseas companies, engaged in prospecting as well as in mining operations. However, to many, it seems that privatization in Africa's mining sector is not proceeding at the same pace as in other regions of the world, such as Latin America. Among the factors impeding the implementation of privatization programmes in the Africa's mining sector are:

- Social attitudes and labour action and other socio-political forces;
- Political instability and social unrest;
- Weak institutional framework for valuation of the company assets;
- Solvency of the company to be privatized;
- Low level of development of capital markets in Africa; and,
- Globalization and international competition.

12. Suggestions to improve that situation could include:

- Conduction of information campaigns to explain to all interested parties the objectives of privatization;
- Institution of social reforms designed to protect or create employment.
- Conduction of retraining programmes for affected workers; and,
- Encouragement of private initiative to support affected workers;
- Adoption of policies, strategies and practices designed to promote and safeguard peace and stability;
- Establishment of an appropriate institutional framework including specialized bodies such as privatization units.

13. The symposium thanked the ECA for bringing to its attention the social dimension of privatization and stressed that this issue should be addressed by governments especially if privatization involves the sale of Government stakes.

B. Data collection

14. As mentioned earlier, the ECA took that opportunity to collect up-date information and data to be used for its publication on privatization and the minerals industries in Africa. The list of collected material is annexed to the present report.

**LIST OF MATERIALS COLLECTED
DURING THE SYMPOSIUM**

List of materials collected during the Symposium

1. Country papers(*Status of the mining sector, policy statements*)

Burundi: Note de présentation du secteur minier Burundais.

Burkina Faso: Point sur le secteur minier du Burkina Faso.

Congo: Description sommaire du secteur minier congolais.

Ethiopia: Geology, mineral occurrences, mining policy and investment opportunities in Ethiopia.

Lesotho: Summary of salient points of Lesotho's mining sector for the MIGA mining investment symposium, Montreal, Canada.

Malawi: Statement on Malawi's mineral resources position by the Minister of Energy and Mining.

Mali: Le secteur minier au Mali.

Mauritania: Note on mining sector.

Namibia: Status of the mining sector of Namibia and statement on the country mineral development policy, by the Minister of Mines.

Niger: Note sur le secteur minier du Niger.

Senegal: Presenting Senegal.

Sierra Leone: The status of the mineral industry in Sierra Leone.

Tanzania: Statement by the Minister of Energy and Minerals on the developments in the mining sector of Tanzania.

Togo: Summaries over Togo mining sector.

Uganda: Gold and base metal opportunities.

Zaire: Le secteur minier Zairois.

Zambia: Policy statement by the Deputy Minister of Mines and Minerals Development.

Zambia: Gemstones in Zambia.

Zambia: Industrial minerals in Zambia.

Zambia: Precious metals in Zambia.

Zambia: Land of gemstones.

2. Mining legislation/investment codes/ Guides for investors

Angola: Law no.15/94 of 23 september regulating foreign investment in Angola.

Angola: Guide for investors in Angolan mining sector.

Burkina Faso: Déclaration de politique minière.

Burkina Faso: Guide for the mining investor.

Congo: Présentation du Directeur Général des Mines sur la réforme fiscale et la promotion des investissements

Congo: Brochure à l'intention des investisseurs.

Malawi: Status of investment climate in mining in Malawi.

Malawi: Investors guide.

Morocco: Règlement minier.

Morocco: Loi cadre n0 18-95 formant charte de l'investissement.

Namibia: Government gazette of the Republic of Namibia: Minerals(Prospecting and Mining) Act (act 33 of 1992) of the National Assembly.

Namibia: Mineral investment opportunities in Namibia: Project file.

Niger: Fiscal and legal aspects of mining investment.

Tanzania: Opportunities for mineral resource development.

Uganda: Investment procedures.

Zambia: Documentary on investment opportunities in the Zambian mining sector.

Zambia: Invest in our mineral wealth.

Zaire: Code des investissements.

Zaire: Projet d'investissement au Zaire: Renseignement sur la SODIMIZA.

Zaire: Gécamines, Délégation Générale: Projets en attente de financement.

3. Other papers

IFC: Project finance for mining in Sub-Saharan Africa and the CIS: Role of the IFC.

Rothschild & Sons Limited: Financing mining projects in emerging markets.

Bureau of Geological consultancy S.A, Brussels, Belgium Mining investment opportunities in West Africa: Successes and problems.

Commission of the European Union, Brussels: Sysmin and mining development.

Small scale miners association of Zimbabwe (SSMAZ):
Relationship between international mining companies and small scale miners: arriving at a modus vivendi.

The World Bank Group, Industry and Mining Division: Making a mining boom possible: Lesson from Latin America.

Rangold: Annual report, 1995.

Reunion Mining PLC: Annual report 1995

Tan Range Exploration Corporation: Annual Report 1995.



ECONOMIC COMMISSION FOR AFRICA

**PRIVATIZATION AND FINANCING OF MINING
PROJECTS IN AFRICA IN THE EARLY 1990'S**

**(ECA's CONTRIBUTION TO MIGA's SYMPOSIUM ON AFRICAN MINING INVESTMENT
AND BUSINESS OPPORTUNITIES, MONTREAL, CANADA, May 22-24, 1996)**

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I. INTRODUCTION

1. The title of this paper is **"Financing of mining projects in Africa in the early 1990s"**. However, the chapters that follow deal more with the factors that delay the process of privatization in the African mining sector.

2. In the course of the present decade, many African Governments have realized that:

a) Private capital and particularly foreign private capital, will be a major source of financing for development projects, including in the mining sector and that:(b)

b) Privatization will also help improving the efficiency of mining undertakings.

A great deal of emphasis is therefore put on addressing factors impeding the rapid implementation of privatization programmes.

II. FINANCING OF MINING PROJECTS IN AFRICA

II.1. Financing of mining projects in Africa before the 1990s

3. Prior to independence, colonial countries being mere appendages of metropolitan powers, the development of their minerals was financed by foreign mining companies which owned and controlled mining undertakings in the continent.

4. During the 1960s and 1970s, with the emergence of newly independent African states, a notion of national sovereignty over natural resources evolved. That, combined with some ideological considerations such as the desire to minimize or eliminate the perceived foreign domination of national economies and ensure government ownership of all means of production translated into policies and strategies which, among other things, led to the nationalization of some foreign mining firms.

5. One of the consequences of this change in ownership and control of mining undertakings was that the countries concerned had to find other sources of financing to sustain their mining industry.

6. Equity participation, internal cashflows of mining undertakings, grants from bilateral bilateral and multilateral institutions, loans from international financial institutions facilitated by the unparalleled mining development witnessed during the 1970s and the first half of the 1980s, as well as UN assistance(UNDP, United Nations Revolving Funds etc..) were resorted to for that purpose.

7. By the mid 1980s, the picture had changed. Some of the sources of financing mentioned above had diminished in importance:

a. Internal cashflows of state-owned mining companies were either insufficient to meet operational costs and maintain and/or replace defective equipment(because of the very poor performance of these companies) or diverted to other mostly unproductive sectors.

Box 1: Financing sources of African mining projects in the 1980s.

Domestic sources

- (a) Internal cashflows of mining companies
- (b) African Development Bank and African Development Funds
- (c) Subregional development bank such as the Banque Ouest Africaine de Développement

External sources

- (a) Commercial banks

1

- (b) Bilateral institutions

Caisse Centrale de Cooperation Economique (CCCE), the French Funds for Cooperation and aid (FAC)

- (c) Multilateral financial institutions

The European Investment bank, the Bretton Woods institutions.

- (c) Regional funds

The European Development Funds

- (d) Other funds

(i) Arab funds: Islamic Development Bank, Arab Economic Development Bank for Africa, OPEC, Saudi and Kuwaiti funds.

(ii) European and American funds: Netherlands Finance Company for Developing countries, US Trade and Development Company, German KPAED etc.

(iii) SIFIDA: International Financing Agency for Investments and Development in Africa.

(iv) United Nations: UNDP, Revolving funds.

Source: Financement des projets miniers en Afrique pendant les années 80: ECA/NR/DMRU/TP/2/91

- b. Commercial banks' intervention had declined, owing to the burden of external debt and debt service;
- c. Funds from some western countries such as Germany and Japan were scarce because of the decline in the demand for minerals by these countries.

8. This situation was often aggravated by the sour relations between investors and host governments, caused by:

- a. The policies and strategies adopted by African countries in the 1970s which among others included confiscatory tax regimes, shackles on the repatriation of profits and restrictions on the exploitation and marketing of minerals;
- b. Practices of some host governments such as rescinding agreements in the middle of a project's life.

9. In addition, political instability in many host countries, which affected the global image of the continent, and the global recession which characterized the second half of the 1980s, resulting in the stagnation of the mining industry worldwide, further discouraged investments in the Africa's mining sector.

10. Africa's mining sector was therefore faced with a shortage of financing during the late 1980s, as shown by a comparative examination of lists of mining projects submitted by African countries to international financing agencies during that period: these lists are shorter for the late 1980s because many projects were shelved or abandoned for lack of funds.

II.2. Financing of mining projects in Africa in the early 1990s

II.2.1 Privatization and the financing of mining projects in Africa

11. Various African governments have made efforts to introduce some changes in their policies/strategies to attract private capital into their mining sectors. The wave of reform comes at a time of global policy shifts towards liberalization. Steps ranging from the establishment of appropriate legal framework and introduction of more incentives for investors in fiscal regime, to state disengagement in mining undertakings have been taken to ensure greater participation of private sector in mining.

12. This is a significant move, since in the 1970s and 1980s, as mentioned earlier, Africa's mining was generally state-controlled..

13. As a matter of fact, in some countries, the adoption of privatization policies in the mining sector has already brought back many overseas mining companies, engaged in prospecting as well as mining operations. In Tanzania for example, a country where, prior to liberalization, activities in the mining sector as in all economic sectors were dominated by the State monopoly, BHP Minerals International, in a joint venture with Sutton Resources and

Box 2: Financing sources of African mining projects in the 1980s: The European Commission

The European Commission: manages grants made available to ACP countries for development projects.

The European Investment Bank(EIB): Union's lending institution. Supports the European Union's cooperation policy by providing loans for investment in ACP countries.

Funding sources: The European Development Fund(EDF) financing is provided through four separate channels:

(a) Sysmin: A facility designed to provide financial support in the form of grants to ACP countries encountering difficulties in their mining sector.

(b) National Indicative Programmes(NIPs): At the beginning of a new convention, each ACP country is allocated a fixed amount of EDF funds. The country establishes a 5-year programme for the use of these funds, which may include provision for mining development.

(c) Risk capital sources: These are made in the form of preferential loans or equity participation.

(d) Interest subsidies: Funds used to subsidise loans granted at a preferential rate.

In the framework of the Lomé Convention, "own resources" funds are also available to the EIB outside the EDF. These are to provide loan finance for national and regional projects the ACPs.

Box 3: International Finance Corporation(IFC)

IFC is the affiliate of the World Bank Group that help economic development through promoting and financing of private business in its member developing countries(170).

IFC is currently the largest single source of private sector foreign investment to the developing world. It does not lend to governments or against governments guarantee.

Romanex International, are carrying out exploration activities in the Kagera region, for nickel, cobalt, zinc, lead and platinum; Tanex, a subsidiary of Anglo-American and De Beers, has been granted a concession in the Mwadui diamond-mining area and Outokumpu, in a joint venture with the State Mining Corporation (STAMICO), is engaged in a major exploration programme for gold which has already led to the discovery of some deposits of that metal. In Guinea, Kenor has developed the gold deposit of Lero in the north-eastern area, and in Zimbabwe, BHP and Minerals are involved in the production of platinum from an underground mine.

14. Multilateral financial institutions have advocated privatization and international organizations such as the United Nations Development Programme (UNDP) are encouraging their development partners to reform their economic policies to attract foreign investment. -- The UNDP had advised African countries to introduce in their policies structural transformations that will attract foreign investment, as it expects its level of assistance to fall in the coming years. All this seems to indicate that the major source of financing of African mining projects in the 1990s will be investment from the private sector, and in the absence of developed domestic capital markets in the continent--- the private sector being as yet rudimentary and more involved in activities with a quick return such as import-export-- foreign direct investment appears as the main source of funds needed to revitalize the Africa's mining sector. However, it seems to many that privatization in Africa's mining sector is not proceeding at the same pace as in other regions of the world, such as Latin America.

II.2. 2 Factors impeding privatization programmes in Africa's mining sector

A. Domestic factors.

A.1 The legal framework and fiscal regime

15. These two closely-related factors were for a long time among the major impediments to foreign investment in Africa's mining industry. During the 1990s, however, mining policies and legislations and investment codes have become more "friendly" to the entrepreneur.

A.2 Social attitudes and labour action and other socio-political forces

16. The second factor I wish to mention is the labour situation and more particularly the influence and actions of some socio-political forces, such as labour unions.

17. In many African countries, the reduction of the burden of operational deficits for state owned mining corporations through greater private sector participation and the injection of private funds into new mining undertakings, are, as mentioned earlier, recognized as prerequisites for the recovery of the mining sector. Yet, there has often been some resistance to privatization, from certain segments of society such as the workers, especially in economic systems which before the 1990s had been centrally planned or subjected to a high level of state control.

18. The socio-economic context is one in which liberalization and the adoption of policies placing emphasis on the private sector were preceded by labour policies which were principally concerned with minimizing unemployment. These policies created among workers a sense of job security --**having a job in a state-owned enterprise meant a regular income up to the time for retirement.** Privatization, on the contrary, is often associated in the mind of many workers with labour-force retrenchment leading to loss of jobs or some linked advantages such as housing. This has often led labour unions to oppose privatization programmes and if the government lacks authority to impose its reforms, such opposition can be decisive in delaying the privatization process. In **Zambia** for example, job security and declining standards of living have for sometime been at the forefront of union activism within the Zambia Consolidated Copper Mines(ZCCM), and these two factors could have contributed to the delay in the implementation of the ZCCM privatization programme.

19. One possible approach to this issue is to conduct information campaigns to explain to all interested parties the objectives of privatization and institute social reforms designed to protect or create employment. Retraining programmes should be conducted and private initiative encouraged to support to affected workers.

A. 3 Political instability and social unrest

20. Political instability and social unrest constitute another impediment to privatization programmes. In Burundi for example, two multinational mining companies, RTZ and BHP, have shown their interests in the Musongati nickel deposits and in the gold reserves at Butihinda and Muyinga. However, up to now, no exploration activities have been carried out by RTZ, and BHP has not yet concluded negotiations for a concession over the half of the Musongati Belt, regarding nickel. Similarly no progress has been reported on the gold deposits. The armed conflict which has raged in the country for sometime has obviously contributed to the impasse.

21. Policies, strategies and practices designed to promote and safeguard peace and stability should be given due priority. Indeed, African governments should consider these as key factors in the promotion of investments and economic growth.

A.4 Weak institutional framework for valuation of the company assets.

22. Privatization is usually a complex process. It involves a comprehensive analysis of the company to be privatized. Among the aspects that usually need to be considered are the assets and liabilities and the competitiveness of the enterprise in the international context.

23. These are important considerations, the analysis of which is central to the implementation of a privatization programme. They should not be left to government bodies with no experience in that field. It may be necessary for that purpose, to establish a special agency, such as the Zambian mining privatization unit created by the government in 1995. Such bodies could be assisted by professional advisers who, besides being experienced in the valuation of the company assets and competitiveness, would also assure investors of the transparency of the privatization.

24. The successful implementation of privatization programmes necessitates an appropriate institutional framework including specialized bodies such as privatization units.

A.5. Solvency of the company to be privatized

25. One of the arguments for privatization is, as mentioned earlier, to reduce the burden of operational deficits. But selling large loss-making enterprises is difficult. To ameliorate this situation, some governments opt to first embark upon a series of adjustments to buttress the financial position of the company before proceeding with privatization. Financial restructuring in an attempt to clean up the balance sheets of the company before making any offer to the private sector will of course delay the implementation of the privatization programme.

A.6. Low level of development of capital markets in Africa

26. It is well known that lucrative capital markets encourage investment in securities. Africa still lag behind Continent in this area. There are few stock exchanges capable of attracting foreign investors. Those connected with minerals are to be found, for example in Ghana, South Africa and Namibia. In Ghana, the Obuasi Ashanti Goldfields Company Limited, raised about \$ 60 million from 3 million new ordinary shares in 1995.

B. External factors

Globalization and international competition

27. The more or less worldwide wave of liberalization, has been accompanied by another new trend: **globalization**. The world is now perceived as "a single market and production area, with regional and national units". That means more financial openness for investors and more investment opportunities. In this new context, will Africa be able to attract enough foreign direct investment in its mining sector?

28. An ECA study, "Some aspects of privatization in the African mining sector", notes that reforms designed to promote foreign investment, are also taking place in other parts of the world including Latin America, Asia and Eastern Europe.

29. Chile for instance, has devised a sound regulatory framework in the mining sector-- **State participation in mining undertakings is not a prerequisite. As regards taxation, companies can choose between a fixed income tax rate of 49.5% for a ten year period or to be taxed at prevailing rates; investors are required to pay taxes on their imports, but there is no withholding tax and no royalty.**

30. China, with its vast market is now more accessible to foreign investors, especially those from Western Europe and North America. Its regulatory framework to facilitate foreign investment in the mining sector is undergoing further refinement.

31. India, another country with an extensive market, has introduced a new mineral resources policy and instituted a legislation designed to attract foreign investment in its mining sector. **The 1993 Minerals Sector Policy is intended to encourage private investment, both local and foreign.**

32. The Eastern European countries, have been encouraging foreign investors to inject capital into their economic sectors, including mining.

33. One result of globalization is that there is **intense competition** among the regional economic blocs, for sources of capital. To-date, Africa has not attracted a significant percentage of exploration and capital investment in this area,-- certainly not to the level of Asia and Latin America--**According to the World Bank, Africa attracted less than five per cent of the global mineral and capital investment.**

II.2.3 Case study: The slow progress in the implementation of ZCCM's privatization programme

34. In a statement issued at the end of the 1994/1995 financial year, the ZCCM Chairman said that the company's initial efforts to sell the Chambisi Mine **had not been successful.** At the same time, the company was making efforts to find sources of finance for the Konkola Deep Mining Project, and capitalize US\$ 230 million debt owed to the Paris club. With regard to privatization, the "A" shareholder, namely the Government, had appointed a mining privatization unit to carry out an in-depth analysis of **alternative strategies for privatizing the company".**

35. The ZCMM Chairman's statement reveals some of the difficulties the **Zambian Government is encountering with the implementation of its mining privatization programme.**

36. The Zambia Consolidated Copper Mines(ZCCM) is the fruit of a merger between Nchanga Consolidated Copper Mines and Roan Copper Mines, two companies set up during the 1970s, following the acquisition by the **Zambian Government of 51 PER CENT of the shares in Zambia American Limited(Zamanglo) and Roan Selection Trust(RST), two private firms which had extracted since the colonial period.**

37. A few years after its establishment, ZCMM's annual production over a ten year period(1984-1994) was projected to reach 600 000 tons of copper. That production was

expected to decline to around 420 000 tons by the year 2000. This target was never achieved: In fact, production started declining in 1984, for a number of reasons, including:

Declining grades at the lower reaches of the pits;

The company's inability to plough back a significant portion of profits into the enterprise.

A difficult financial situation aggravated by indebtedness-- to finance some of its capital expenditure and working capital requirements, the company had to contract loans, the servicing of which increased its debt burden, especially during the period of depressed metal prices-- **As of September 1995, US\$ 200 million over a period of ten years, were needed to restore production capacity --which has fallen below 420000 tons--to previous levels.**

38. Against this background, a few years ago, the Company embarked upon the implementation of an Interim Short Term Plan aimed at rationalizing its operations by reducing costs, increasing metal production and maximizing of returns.

39. According to the management of the Company, this programme produced some positive results including substantial reductions in labour, but was generally not successful.

40. At the end of the 1994/ 1995 financial year, the Government announced that the company would be privatised, this with the expectation of securing the large capital investment necessary to revitalize the copper industry. This privatization is still pending.

41. The government has taken some steps to speed up the facilitate the process, including the establishment of a mining privatization unit which, with the assistance of some advisers to the government will develop an action plan for the internal privatization team.

42. The ZCCM's management for its part, approved the establishment of a company's internal privatization team to facilitate the work of the government appointed unit.

43. In its efforts to facilitate the transparency of the privatization process and thus gain support from all quarters, the government has expressed the intention to ensure that the interests of all concerned (shareholders, labour unions, politicians etc.) are safeguarded and to educate the general public about the benefits it expects from privatization and the "value of privatization to the society as a whole".

III. CONCLUSION

44. Liberalization has been one of the prime movers of the world economy during this present decade. In response to that trend but also to their own financial constraints which had adversely affected their mining sectors, many African countries have adopted privatization policies to create an enabling environment for foreign direct investment. Whether they will succeed or not will depend upon the sincerity and coherence of efforts they make to tackle domestic problems such as political turmoil and social unrest, and address infrastructural

deficiencies. Their ability to compete on the world market will be a decisive factor, for the wave of liberalization is accompanied by the globalization of the world economy, with a concomitant increase in the scope of financial and investment opportunities for investors within a context of heightened competition among countries and among regional economic blocs.

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Table 1: Financing of mining projects in Africa in the 1980s: The African Development Bank

Country/project	Amount(million U.C)	Date of loan approval
Tunisia/Gafsa phosphates	33.4	1989
Ethiopia/Lega Dembi gold deposit	17.08	1987
Zaire/Kilo-Moto gold deposit	12.25	1986
Zaire/Gécamines (copper)	59.80	1986
Zambia/copper	26.02	1983

Source: African Development Bank annual reports (1980-1989)

Table 2: Financing of mining projects in Africa in the 1980s: The World Bank and IDA

Country/project	Amount(\$ million)	Date of loan approval
Zaire/Gécamines(copper)	20	1989
Ghana(gold)	40	1988
Madagascar(ilmenite)	125	1988
Guinea(minerals exploration)	3.3	1986
Mauritania/SNIM(iron)	20	1986
Zaire/Gécamines(copper)	110	1986
Burkina Faso/Perkoa(zinc)	7.4	1984
Zambia/ZCMM (copper)	75	1984
Tunisia(phosphates)	13.4	1984
Zaire/Gécamines(copper)	7	1983
Liberia/NIOC(iron)	20	1982

Source: World Bank annual reports(1980-1989)

Table 3: Financing of mining projects in Africa in the 1980s: The IFC

Country	year	Pledge		Loan	Partici pation	Total(\$'000)
Guinea	1983	Aredor/diamond	14835	11328	1228	12556
Gabon	1988	Comilog/manganese	32000	32000	-	32000

Source: World Bank annual reports(1980-1989)

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Mauritania/SHIN(iron)	20	1986
Zaire/Gécamines(copper)	110	1986
Burkina Faso/Perkoa(zinc)	7.4	1984
Zambia/ZCMH (copper)	75	1984
Tunisia(phosphates)	13.4	1984
Zaire/Gécamines(copper)	7	1983
Liberia/NIOC(iron)	20	1982

Source: World Bank annual reports(1980-1989)

Table 3: Financing of mining projects in Africa in the 1980s: The IFC

Country	year	Pledge		Loan	Partici pation	Total(\$'000)
Guinea	1983	Aredor/diamond	14835	11328	1228	12556
Gabon	1988	Comilog/manganese	32000	32000	-	32000

Source: World Bank annual reports(1980-1989)

Table 4: Financing of mining projects in Africa in the 1980s: The European Investment Bank

Date	Country	Project	Nature of loan	Amount(million ECU)
1989	Ghana	Rehabilitation of gold mines in the west, (Ghana State Gold Mining Corporation)	R.C	
1988	Guinea	Increasing production capacity at the Fria-Kimbo alumina plant	R.C	13
1989	Sudan	Gold exploration in the Ariab region(Sudanese Mining corporation)	R.C	3
1987	Ethiopia	Development of gold deposit and establishment of a gold processing plant Lega Dembi(Lega Dembi gold Enterprise and Ethiopian Mineral Resources Development corporation)	R.C	
1987	Guinea	Feasibility study of Mount Nimba iron ore deposit	R.C	0.3
1986	Liberia	Feasibility study of Mount Nimba iron ore deposit	R.C	0.6
1986	Ethiopia	Feasibility study of the development of Lega Dembi gold deposit		
1986	Senegal	Restructuring of the sulphuric and phosphoric acid plant of Daroukhoudos and fertilizers plant of Mbao	R.C	70
1986	Zaire	Rehabilitation of the copper and processing plants of Gécamines	Loan from the Bank funds	50
1985	Burkina Faso	Development of Poura gold deposit	C.R.	70
1985	Sudan	Development of Gebeit gold deposit(Sudan Minex Gold Mining Venture)	C.R.	40
1984	Guinea	Upgrading the Fria-Kimbo alumina plant to improve the quality of alumina	Loan	40
1983	Cameroon	Feasibility study of Kribi iron ore deposit	Loan	40
1983	Gabon	Study of iron ore deposits of Ivindo	C.R.	6
1983	Ghana	Rehabilitation and modernisation of the Nsuta manganese mine(National manganese corporation)	C.R.	6
1983	Senegal	feasibility study of the development of Sabodala gold deposit mines	C.R.	
1982	Senegal	Taiba phosphoric acid plant and Mbao fertilizers plant	C.R.	110

Table 5: The European Investment Bank(end)

1982	Zaire	Feasibility study for the development of tin	C.R.	0.38
1981	Gabon	Extension of the uranium mine and of the processing plant	Loan	
1981	Zambia	Extension of the copper recovery unit-Chingola	Loan	25
1981	Senegal	Taiba phosphoric acid and Mbaio fertilizers plant	C.R.	2.3
1980	Burkina Faso	Pourba gold mine	Loan	8

Source: Le financement des projets miniers en Afrique pendant les années 80:ECA/NRD/MRU/TP/2/91

Table 6: Financing of mining projects in Africa in the 1980s: SIFIDA

Year	Country	Loan	Amount(\$million)	Project
1980	Guinea	C.S	3.575	
1981	Zambia	C.S	34.85	ZCHM
1983	Burkina Faso	C.S	2.20	Minerals exploration
1985	Guinea	Participation	12.0	SAG(Société Aurifère de Guinée): development of Siquiri gold deposit
1985	Burkina Faso	Loan, participation	0.673	SOREMI
1985	Zambia	Loan	0.453	ZCHM
1985	Zambia	Loan	1,163	ZCHM

SIFIDA(continuation)

1986	Zaire	Participation	210	NIABA
1986	Zambia	Loan	0.581	ZCHM
1986	Zambia	Loan	0.452	ZCHM
1986	Guinea	C.S	12.0	SAG
1987	Guinea	Participation	0.80	SAG
1987	Guinea	Loan	1.0	SAG
1987	Burkina	Loan	0.404	SOREMI
1987	Burkina	Loan	0.26	SOREMI
1987	Zambia	Loan	0.453	ZCHM
1988	Burkina	Loan	0.21	SOREMI
1988	Guinea	Loan	0.21	SAG

Source: Le financement des projets miniers en Afrique pendant les années 80:ECA/NRD/MRU/TP/2/9

Table 7 : Financing of mining projects in Africa in the 1980s: Caisse Centrale de Coopération Economique

Year	Country	Project	Loan(million F.F)
1989	Gabon	1.Comilog:reduction of production costs	80
		2. Increasing the capacity of Moanda processing plant	9.5
1988	Guinea	Restructuring of Friguia	90
1988	Mauritania	Restructuring of SNIM	30
1986	Guinea	1.Restricturing of Friguia	30
		2. Mount Nimba iron project	20
1985	Burkina Faso	SOREMIB	38
1985	Zaire	Gécamines	200
1983	Mauritania	SNIM	57
1983	Guinea	Friguia	56

Source: Compilation of ECA studies on mining activities in Africa in the 1970s and 1980s

Table 8: Financing of mining projects in Africa in the 1980s: Fonds d'aide et de coopération

Date	Country	Project	Loan	Amount(F.P'000)
1989	Djibouti	Mapping		1,700
1989	Gabon	1. Mapping(Port-Gentil and Oyem,1/50,000) 2. Mineral resources inventory along the Transgabonnais		5,000
1989	Guinea	Mapping		4,500
1988	Gabon	Mineral resources inventory along the Transgabonnais		6,500
1988	Niger	Mapping(Arlitz, Agadez)	Loan	2,500
1988	Cameroon	Mineral resources inventory(Centre-North)		2,500
1987	Central Africa	Gold exploration	Loan	300
1987	Zaire	Mapping(Bas-Zaire)	Loan	2000
1985	Gabon	Mineral resources inventory along the Transgabonnais		5,500
1985	Burkina Faso	Poura(Training)		2,000

Source: Compilation of ECA studies on mining activities in Africa in the 1970s and 1980s

Table 9: Financing of mining projects in Africa in the 1980s: The Islamic Development Bank

Date	Country	Project	Loan(\$ million)
1986-1987	Djibouti	Feasibility study of perlite	0.182
1984-1985	Burkina Faso	1. Geophysics survey 2. Feasibility study of Taparko gold mine	0.945(Aid: 0.153; loan: 0.800) 0.355
1983-1984	Mauritania	Equipment leasing-Akjoujt	9.65
1982-1983	Tunisia	1. Participation in iron mill(SOFORICA) 2. Equipment leasing to SOFORICA	2 2.7
1979-1980	Senegal	Taiba phosphoric acid plant and Mbaio fertilizers plant	11.32
1979-1980	Burkina Faso	SOREMI	4.20

Source: Compilation of ECA studies on mining activities in Africa in the 1970s and 1980s

Table 10: Financing of mining project in Africa in the 1980s: UNDP Assistance

Country	Project	Period of completion	UNDP contribution	Government contrib.
Angola	1.Ang.78.015:Feasibility study for the development of phosphates	05/79-01/82	481,000	62,633
	2. Ang.79.001: Training	06/79-02/80	62,180	9,037
	3.Ang.79.008: Iron Processing	08/79-05/87	612,990	16,205
	4. Ang. 80.001 Mineral resources development and Training	01/86-12/89	40,766	
	5. Ang.78-017 Strengthening of national capacities in minerals exploration	05/79-07/86	2,594,834	395,272
Benin	Ben.81-008: Minerals exploration	12/81-01/89	483,176	
Burkina Faso	BFK.83-002: Minerals exploration(Centre,North-West)	12/82-01/89	4,007,361	
Burundi	1. BDI. 88-002: Training	06/88-06/91	594,400	3,942
	2. BDI. 81-007:Minerals exploration and development	12/81-12/87	3,701,017	57,639
Ethiopia	1. ETH. 83 025:Training	09/83-01/90	2,315,514	2,435,700
	2. ETH.85-011 Mining legislation	12/85-01/89	82,112	15,845
Gabon	1. GAB.87-001:Strengthening of the geological and mining survey departments	01/97-01/91	521,707	
	2. GAB.81-003:Strengthening of the geological and mining survey departments	04/82-04/86	105,992	757,081
	3. GAB.78-001:Strengthening of the geological survey department	03/79-01/82	524,435	561,428

Ghana	1. GHA. 74-018:Strengthening of the Tarkwa school of mines	11/77-11/85	1,734,240	105,263
	2. GHAN.80-001:Identification of gold deposits in the Tarkwa region	06/80-10/85	313,816	15,339
	3. GHAN. 78-003:Technical assistance to State gold mining corporation	01/79-12/87	2,182,856	2,151
	4. GHAN. 80-015:Mineral resources development	01/81-01/85	139,098	
	5. GHAN. 81-004: Technical assistance to the diamond industry	03/81-03/85	49,635	2,281
	6.GHAN. 82-014: Assistance to the National Minerals Commission	01/85-01/86	100,00	3,079
Guinea	GUI.87-018: Management of OBK	04/88-01/89	71,500	3,219
Kenya	KEN.87-006: Minerals evaluation and development	11/87-01/88	94,100	
Lesotho	1. LES.73-021: Minerals exploration:Phase two	10/78-01/80	75,000	
	2. LES.80-057: Technical assistance to the geological and mining survey department	11/80-04/85	747,226	192,287
Madagascar	MAD.77-012:Exploration and development of uranium deposits; training	03/79-12/86	1,428,231	768,297
Malawi	1. MLW.80-030: Airborne Geophysical survey and strengthening of the mining sector	05/81-01/90	4,404,709	123,786
	2. MLW.84-001:Negotiation of uranium exploration project	06/84-06/85	8,250	
	3. MLW. 88-030:Airborne and ground geophysical survey and strengthening of the mining survey department.	08/88-08/91	665,100	244,316
Mali	MLI 85-007: Gold exploration in the Bagoe region	05/80-01/91	4,677,037	1,352,543

Mauritania	1. MAU.77-006: Airborne geological survey of the central region			
	2. MAU. 85-005: Feasibility study for the recovery of gold from Akjoujt copper heaps			
	3. MAU.78-002: Strengthening of the national geological survey department			
Morocco	1. MAR.86-010: Informatized management of the mining sector	01/87-12/89	250,000	133,695
	2. MAR.80-002: Rabat national school of industry	09/81-12/86	2,494,000	12,823,330

Source: UNDP (Compendiums, 1980-1989)

Table 11: Financing of mining projects in Africa in the early 1990s: Loans from some traditional sources.

Country	Project	Source of financing and amount
Infrastructure		
Gabon	Comilog(Manganese)	Loan from CCCE:10 ⁶ F.F 20
Guinea	Railway Conakry-Friguia(Bauxite)	Loan from CCCE and EIB:10 ⁶ F.F 48
Guinea	Wastes dumping-Friguia(Bauxite)	Loan from CCCE:10 ⁶ F.F 45
Studies, Technical assistance, Training		
Guinea	Study on the mining sector	ADB/AFD:10 ⁶ \$
Kenya	Feasibility study for bauxite exploration	ADB:10 ⁶ U.C.
Madagascar	Feasibility study for the development of phosphates in Barren Islands	Loan from AFD:10 ⁶ U.C.
Malawi	Feasibility study for bauxite exploration in Mulanje region	Loan ADB:10 ⁶ U.C
Mali	Assistance to the mining sector(mining legislation, fiscal regime, development of minerals potential,training)	Loan from World Bank:10 ⁶ \$
Niger	Study on the mining sector	Loan from ADB:10 ⁶ U.C 17
Niger	Study on the restructuring of uranium industry	Loan from CCCE:10 ⁶ F.F 1.2