



African Union

Africa Mining Vision

African Minerals Governance Framework



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African Minerals Governance Framework



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Addis Ababa, Ethiopia

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First printing January 2018

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Designed and printed in Addis Ababa by the ECA Printing and Publishing Unit. ISO 14001:2004 certified.
Printed on chlorine free paper

Cover photos: Shutterstock.com

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Foreword

The Africa Mining Vision is Africa's overarching framework for achieving inclusive, sustainable mineral-based structural transformation. Since 2009, when the African Union formally adopted the Vision, there has been considerable progress in advancing its implementation throughout the continent. The weaknesses in the governance of Africa's mineral sector, however, have served to undermine the continent's aspirations for peaceful and inclusive societies based on the prudent and sustainable use of mineral resources.

The African Minerals Governance Framework has been designed to deepen the commitment to implementing the Africa Mining Vision by serving as a monitoring tool to help African countries to determine their progress with regard to realizing the transformative ambitions of the Vision. Beyond serving as a monitoring and accountability tool for the Vision's implementation, the Framework is a home-grown, holistic and comprehensive instrument that responds to the specific challenges facing Africa's mineral sector.

The Africa Mining Vision is an African continental policy instrument made operational through national actors, policies and mechanisms. The Country Mining Vision is the paramount instrument through which countries align their mining laws and policies to the tenets of the Africa Mining Vision. In 2014, the African Minerals Development Centre developed a country mining vision guidebook to provide clarity and direction to States members of the African Union for the design and implementation of Country Mining Visions. The African Minerals Governance Framework complements the guidebook by providing an integrated framework to monitor the national-level processes for Country Mining Visions. The Framework components or "pillars" are consistent with the policy structure set out in the guidebook and the action plan for the implementation of the Africa Mining Vision.

Member States will administer the African Minerals Governance Framework through periodic (triennial) assessments using multi-stakeholder platforms to foster national ownership and legitimacy and undergo multilevel validation processes that enhance the Framework's robustness and effectiveness across the board. An Africa Mining Vision progress scale will determine countries' progress vis-à-vis realizing the Vision. The assessment methodology is qualitative in nature and comprehensive and cuts across the minerals value chain and in reflection of the breadth of the Vision, while accounting for national political economy factors that affect mineral sector governance. Member States will develop coherent and time-bound action plans that deal with the findings from the African Minerals Governance Framework country assessments to ensure accountability and follow-up on the outcomes of the Framework. At the continental level, the African Union will establish a council of eminent persons to serve as a high-level focal point, advocacy and oversight mechanism for the Framework.

There are several benefits to developing the African Minerals Governance Framework as the monitoring instrument for the Africa Mining Vision. The Framework contains detailed information that member States can use in governing mineral sectors and

for the implementation of broader sustainable development plans and policies. It is designed to support capacity-building in key policy institutions in order to tackle weaknesses in mineral sector governance and promote national ownership and accountability in the Vision implementation process. Given its flexibility, member States can use the Framework in all extractive sectors, such as oil, gas and mining. In addition, by adopting a broad-based, multi-stakeholder approach in its assessment process, the Framework can be used to foster social participation, inclusion and legitimacy. In its form and function, the Framework therefore reflects the spirit of the Vision, namely, it is innovative, holistic, fit-for-purpose and inclusive.

The African Minerals Governance Framework has been designed for African Union member States and to be fully owned by national policy actors and stakeholders in governing mineral sectors for sustainable development. National multi-stakeholder platforms, for the most part, will administer the Framework, with technical and coordination support provided by the African Minerals Development Centre and the African Union Commission, working in partnership with the Africa Mining Vision implementing institutions, namely, the Economic Commission for Africa, the United Nations Development Programme and the African Development Bank. This multilevel approach to implementation will enhance the effectiveness and sustainability of the Framework and enable it play a vital role in helping African countries to realize sustainable, inclusive and mineral-based structural transformation, as embodied in the Vision.

Between 2015 and 2017, more than 120 civil society organizations, including regional actors,¹ were engaged in designing the African Minerals Governance Framework. African Union member States, regional economic communities, mining companies and other private sector actors also provided important feedback throughout the drafting process.

To date, the African Minerals Governance Framework has been one of the most broad-based and inclusive African Union policy instrument created. The use of this inclusive approach will continue with regard to the operationalization of the Framework.

¹ Third World Network-Africa, Southern African Resource Watch, the Alternative Mining Indaba, Tax Justice Network-Africa, Publish What You Pay-Africa, several national civil society organizations, women's rights groups, artisanal and small-scale miners, groups representing young people, mining labour unions, faith-based organizations and community-based organizations, among others.

1. Introduction

The African Union Heads of State and Government, at their assembly in Addis Ababa in February 2009, adopted the Africa Mining Vision to serve as Africa's road map for strategically harnessing its mineral resources for broad-based sustainable development. The formulation of the Vision, supported by its action plan for implementation, was motivated by a disconcerting observation that, while African countries have abundant mineral resources and roughly one third of global mineral reserves, they rank among the poorest in the world. Many internal and external factors contribute to this situation. Internally, poor governance, institutional weaknesses and corruption are major problems. External factors include the dominant neo-colonial model of extraction in which countries extract and export resources in its raw state for use in developed countries, with little or no local value addition. These factors inhibit African countries from benefiting optimally from their mineral resources.

Mineral resources are finite and, therefore, need managing in a manner that benefits current and future generations. The Africa Mining Vision is intended to enhance transparency, equity and the optimal development of mineral resources to underpin broad-based sustainable growth and socioeconomic development in Africa. It also promotes a sustainable and well-governed minerals sector that garners and deploys resource rents effectively and that is safe, healthy, gender and ethnically inclusive, environmentally friendly, socially responsible and appreciated by mine-affected communities.

2. Africa Mining Vision

The Africa Mining Vision is an innovative and holistic vision for governing the mineral sector on the continent. The goal of the Vision is to ensure transparent, equitable and optimal exploitation of mineral resources to underpin broad-based sustainable growth and socioeconomic development.

3. Tenets

The pathways to the implementation of the Africa Mining Vision require concerted effort to incorporate it at the national level and ensure the integration of its key tenets into relevant national visions, policies, laws, regulations, standards and procedures. The following tenets underpin the Vision:

- (a) A knowledge-driven African mining sector that catalyses and contributes to the broad-based growth and development of and is fully integrated into a single African market;

- (b) A sustainable and well-governed mining sector that effectively garners and deploys resource rents and that is safe, healthy, gender and ethnically inclusive, environmentally friendly, socially responsible and appreciated by surrounding communities;
- (c) A mining sector that has become a key component of a diversified, vibrant and globally competitive industrializing African economy;
- (d) A mining sector that has helped to establish a competitive African infrastructure platform through the maximization of its propulsive local and regional economic linkages;
- (e) A mining sector that optimizes and unites Africa's finite mineral resource endowments and that is diversified, incorporating both high-value metals and lower-value industrial minerals at both the commercial and small-scale levels;
- (f) A mining sector that harnesses the potential of artisanal and small-scale mining to stimulate local and national entrepreneurship, improve livelihoods and advance integrated rural social and economic development;
- (g) A mining sector that is a major player in the vibrant and competitive national, continental and international capital and commodity markets.

The Africa Mining Vision begins with the notion that Africa's mineral comparative advantage would build competitive advantages and unleash structural economic transformation towards "knowledge-driven" economies. The Vision is anchored to understanding that mineral resources are part of the stock of natural capital that can spur Africa's development. Development, as underscored in the Vision, can occur if Africa succeeds in transforming transient mineral wealth into other forms of lasting capital that outlive the currency of mining. The principal resource endowment opportunities for realizing the Vision are resource rents, physical infrastructure, downstream value addition, upstream value addition and technology and product development.

While the importance of mineral revenue is recognized in the Africa Mining Vision, other significant benefits are derived from employment generation; the procurement of goods and services; entrepreneurial development; skills and knowledge creation; technology transfer; and infrastructure expansion and linkages. As part of the strategic reorientation needed to promote structural change in the mineral sector, the Vision contains calls for greater fiscal space and responsive taxation to allow African countries to optimize mineral taxes and to encourage value addition and linkages. On mineral licensing, the suggestion is that innovative licensing schemes, in particular auctioning systems, could realize better value for mineral terrains, and countries should use them when it is relevant to do so. The Vision is a long-term and aspirational framework. Its realization requires policy coherence and consistency beyond the expediency of electoral cycles, and its implementation would require building alliances for change and coordinated action between public, private, civil society and community stakeholders.

4. African Minerals Governance Framework

In recognition of the low levels and slow implementation of the African Union initiatives by member States, during the third ordinary session of African Union Conference of Ministers Responsible for Mineral Resources Development, on 17 December 2013, the Ministers mandated the African Union Commission to develop an Africa-led and owned mineral sector governance framework. The framework would serve as an instrument to facilitate the implementation and monitoring of the Africa Mining Vision. Following the Decision, the African Union Commission Department of Trade and Industry, through the African Minerals Development Centre, embarked on a process to develop the African minerals governance framework.

The African Minerals Governance Framework represents a better way of measuring mineral economic and governance capacity in African member States vis-à-vis the Africa Mining Vision by evaluating the gaps and serving as a tool to assist Governments in bridging these gaps. It responds to the challenges that member States face in harnessing mineral resources to achieve broad-based socioeconomic development, as indicated in the Vision. The Framework also represents an innovative and comprehensive approach to accelerating and ensuring the implementation of the Vision. Unlike current mineral governance frameworks, the Framework is designed to look at the entire mineral value chain as embodied in the Vision.

Specifically, the African Minerals Governance Framework is intended to give clarity to the nature and progress of the Africa Mining Vision's incorporation and its contribution to the maximization of economic benefits for citizens, while also mitigating the associated social and environmental effects of mineral extraction.

5. African Minerals Governance Framework pillars

The African Minerals Governance Framework is a major monitoring and evaluation tool for the implementation of the Africa Mining Vision. It derives from the following nine clusters of the Vision:

- (a) Mineral revenue and mineral rents management;
- (b) Geological and minerals information systems;
- (c) Building human and institutional capacities;
- (d) Artisanal and small-scale mining;
- (e) Mineral sector governance;

- (f) Research and development;
- (g) Environmental and social issues;
- (h) Linkages and diversification;
- (i) Mobilizing minerals and infrastructure for development.

By aligning the African Minerals Governance Framework with the most relevant clusters of the Africa Mining Vision, the Framework is able to cover the entire minerals value chain holistically, while reflecting the transformative and inclusive ethos of the Vision. The Framework is structured around the following six thematic pillars:

- (a) Legal and institutional framework (for contracts and licensing);²
- (b) Geological and mineral information system;
- (c) Fiscal regime and revenue management;
- (d) Linkages, investment and diversification;
- (e) Artisanal and small-scale mining;
- (f) Environmental and social issues.

Gender, young people, human resource capacity development and technology are cross-cutting issues considered critical to the success of the Africa Mining Vision and are therefore integrated into each of the African Minerals Governance Framework pillars.

Designed to improve mineral governance, the African Minerals Governance Framework assesses countries' progress in implementing the Africa Mining Vision. It is a systematic approach to identifying areas of weakness, devising and implementing appropriate responses, monitoring results and learning to ensure progress. The Framework is also designed to promote tangible and radical transformative development outcomes, such as inclusivity, sustainable environment, constructive state-business-community relations and a robust oversight role by civil society organizations. It includes an implementation structure at all levels (local, national, subregional and continental).

² In the African Minerals Governance Framework, the importance of legal and institutional issues through the value chain is recognized. This pillar therefore focuses on contracts and licensing because of their strategic importance, while the remaining pillar deals with other legal issues in detail.

6. Expected outcomes of the African Minerals Governance Framework across the six pillars

6.1 Legal and institutional framework for contracts and licencing

Outcome: Greater transparency in licensing and management of mineral rights.

Intervention area: Develop a comprehensive and transparent licensing and mineral rights management system.

6.2 Geological and mineral information systems

Outcome: Comprehensive knowledge of geological and mineral endowment, leading to broad-based development.

Intervention area 1: Improvement in and strengthening of geological and minerals information systems to underpin investment, exploration and mine development.

Intervention area 2: Improvement in the standards of reporting, resource classification and mineral reserve valuation, and optimize mineral resource and reserves governance.

6.3 Fiscal and revenue management

Outcome 1: Optimized share of revenue accruing from mineral resource extraction.

Intervention area: Improvement in the policy, legal and fiscal instruments for revenue maximization and increased investment in the mineral sector and the prevention of illicit financial flows.

Outcome 2: Improved transparency and accountability in the management of mineral revenue.

Intervention area: Strengthening of policies (legal and practice or systems) and institutions for transparency and accountability in the management and use of mineral revenue.

Outcome 3: Equitable and efficient use of resource revenue.

Intervention area: Improvement in policies (legal and mechanisms), including capacity for the equitable use of resource revenue and productive investment to promote broad-based development.

6.4 Linkages, investment and diversification

Outcome 1: A knowledge-driven minerals sector that is a key component of a diversified, vibrant and globally competitive industrialized African economy.

Intervention area: Strengthening and investing in education, science, technology, engineering and mathematics skills development and technology transfer for an inclusive and competitive mining industry.

Outcome 2: Broad-based development catalysed by a mineral sector that promotes upstream, downstream, sidestream and infrastructure linkages.

Intervention area: Creation of a conducive policy, legal and institutional environment to catalyse the mineral sector to generate upstream, downstream, sidestream and infrastructure linkages.

Outcome 3: Increased level of investment flows into value added minerals activities and multi-use infrastructure to support broad socioeconomic development.

Intervention area: Creation of a policy and regulatory environment that leads to increased investment in multi-use infrastructure and socioeconomic development.

6.5 Artisanal and small-scale mining

Outcome: Improved entrepreneurship in an environmentally and socially responsible manner, leading to sustainable livelihoods, growth and development.

Intervention area: Improvement in the viability, progressivity and sustainability of the artisanal and small-scale subsector to enhance its contribution to growth and development through gaining access to training, extension services, finance, marketing and cleaner, efficient technologies.

6.6 Environmental and social issues

Outcome: Improved and sustainable quality of life for mining-affected communities and the country as a whole.

Intervention area: Strengthening the environmental, social, economic and cultural protection policies, laws, systems and capacities of communities to benefit from mineral extraction.

6.7 Structure of the African Minerals Governance Framework

Table 1 outlines the structure of the African Minerals Governance Framework, how it relates to the Africa Mining Vision goals and the expected outcomes of the Framework.

Table 1: Structure of the African minerals governance framework

Africa Mining Vision goal	Framework pillar	Expected outcomes	Framework intervention areas	Framework assessment categories
Transparent, equitable and optimal exploitation of mineral resources to underpin broad-based sustainable growth and socioeconomic development	Legal and institutional framework for contracts and licensing	Greater transparency in licensing and management of mineral rights	Development of comprehensive and transparent licensing and mineral rights management systems	<ul style="list-style-type: none"> • Policy and legal process/frameworks for awarding mineral rights • Contract transparency • State and public official participation • Institutional and capacity needs • Dispute resolution
	Geological and mineral information systems	Comprehensive knowledge of mineral endowment leading to broad-based development	Improvement in, and strengthening of, geological and minerals information systems to underpin investment, exploration and mine development	<ul style="list-style-type: none"> • Policy, legal and institutional framework • Production, management and dissemination of geodata • Sustainability and capacity-building • Effectiveness of geodata to improve transparency in the mineral sector • Standardization and harmonization of nomenclature of resource classifications and reporting systems • Geological survey sustainability and capacity-building • Effectiveness of geodata

Africa Mining Vision goal	Framework pillar	Expected outcomes	Framework intervention areas	Framework assessment categories
	Fiscal regimes and revenue management	Optimized share of revenue accruing from mineral resource extraction	Improvement in the policy, legal and fiscal instruments for revenue maximization, increased investment in the mineral sector and the prevention of illicit financial flows	<ul style="list-style-type: none"> • Policy objectives of fiscal regime • Fiscal regimes and revenue maximization • Corruption and revenue maximization • Harmonization of tax instruments • Fiscal regimes and investment • Customs, duties and tariffs • Fiscal administration • Fiscal regimes and illicit financial flows
		Improved transparency and accountability in the management of mineral revenue	Strengthening of policies, legal and practice/systems and institutions for transparency and accountability in the management and use of mineral revenue	<ul style="list-style-type: none"> • Management of revenue • Savings and expenditure • Distribution of revenue • Sovereign wealth funds • Auditing of mineral revenue • Transparency and accountability rules
		Equitable and efficient use of resource revenue	Improvement in policies, legal and mechanisms including capacity for equitable use of resource revenue and productive investment to promote broad-based development	<ul style="list-style-type: none"> • Efficient use of resource revenue • Equitable utilization of revenue

Africa Mining Vision goal	Framework pillar	Expected outcomes	Framework intervention areas	Framework assessment categories
	Linkages, investment and diversification	A knowledge-driven minerals sector that is a key component of a diversified, vibrant and globally competitive industrialized African economy	Strengthening and investing in education, science, technology, engineering and mathematics skills development and technology transfer for an inclusive and competitive mining industry	<ul style="list-style-type: none"> • Economic significance of the mineral sector • Educational policy and legal framework • Technical and vocational training • Technology, research and development • Mineral exports
		Broad-based development catalysed by a mineral sector that promotes upstream, downstream, sidestream and infrastructure linkages	Creation of a conducive policy, legal and institutional environment to catalyse the mineral sector to generate upstream, downstream, sidestream and infrastructure linkages	<ul style="list-style-type: none"> • Mineral export policy • Local content policy and law • Regional integration and local content • Monitoring local content • Strategic issues in local content • Value linkages
		Increased level of investment flows into value added minerals activities and multi-use infrastructure to support broad socioeconomic development	Creation of a policy and regulatory environment that leads to increased investment in multi-use infrastructure and socioeconomic development	<ul style="list-style-type: none"> • Infrastructure investment • Diversification • Economic empowerment • Corporate social investment

Africa Mining Vision goal	Framework pillar	Expected outcomes	Framework intervention areas	Framework assessment categories
	Artisanal and small-scale mining	Improved entrepreneurship in an environmentally and socially responsible manner, leading to sustainable livelihoods, growth and development	Improvement in the viability, progressivity and sustainability of the artisanal and small-scale mining subsector to enhance its contribution to growth and development through gaining access to training, extension services, finance, marketing and cleaner, efficient technologies	<ul style="list-style-type: none"> • Policy and legal frameworks for artisanal and small-scale mining • Institutional framework and capacity • Financing and taxation of artisanal and small-scale mining • Environmental issues in artisanal and small-scale mining • Occupational health and safety • Artisanal and small-scale mining and communities • Artisanal and small-scale mining and sustainable livelihoods • Gain access to information and technology
	Environmental and social issues	Improved and sustainable quality of life for mining-affected communities and the country as a whole	Strengthening environmental, social, economic and cultural protection policies, laws, systems and capacities of communities to engage	<ul style="list-style-type: none"> • Strategic environmental impact assessment • Environmental and social impact assessment • Free, prior and informed consent • Environmental liability and remedies • Compensation for cultural, social and environmental damage and pollution • Resettlement and compensation for compulsory acquisition of community and individual property • Labour rights • Occupational health, safety and environment • Mine reclamation and closure

Note: Gender, young people, human resource capacity development and technology are cross-cutting issues considered critical to the success of the Africa Mining Vision and are therefore integrated into each of the African Minerals Governance Framework pillars.

7. African minerals governance framework change approach

7.1 Goal

To ensure effective incorporation and implementation of the Africa Mining Vision to underpin broad-based sustainable growth and socioeconomic development.

7.2 Purpose

To facilitate the systematic, comprehensive and consistent monitoring and self-assessment of the incorporation and implementation of the Africa Mining Vision by member States and regional economic communities.

7.3 Objectives

The objectives of the African Minerals Governance Framework are as follows:

- (a) Provide a comprehensive means to assess the status of and progress made in the incorporation and implementation of the Africa Mining Vision at the national and subregional (regional economic community) levels;
- (b) Provide a reference guide for policy, legal and practice review and reforms of the mineral regimes;
- (c) Enhance the capacity of national and subregional institutions, policymakers and political actors to govern the mineral sector strategically for the realization of the Vision and for long-term sustainable development;
- (d) Provide comprehensive information on mineral-sector policies, laws and reforms in support of broad-based sustainable development;
- (e) Promote peer learning and knowledge-sharing within and between African Union member States for sound mineral sector governance and the realization of the Vision;
- (f) Promote a participatory and collaborative multi-stakeholder approach to mineral sector governance for national and regional accountability and inclusive development.

7.4 Outputs from the African Minerals Governance Framework assessment processes

The following outputs are from the Framework's assessment processes:

- (a) A systematic country-level analysis report on the incorporation and implementation of the Africa Mining Vision;
- (b) Comprehensive baseline database of the status of the implementation of the Vision;
- (c) A comprehensive multi-stakeholder action plan to guide the implementation of the Vision, aligned with tangible and transformative development outcomes;
- (d) Collaborative and participatory multi-stakeholder framework for national accountability and for oversight and feedback;
- (e) An effective monitoring and evaluation plan of the incorporation and implementation of the Vision;
- (f) Transparent, accountable and inclusive multi-stakeholder platforms established.

7.5 Expected outcomes

The following are the expected outcomes:

- (a) Systematic information on the continent's progress in achieving mineral-led development through the implementation of the Africa Mining Vision;
- (b) Improved accountability of multilevel policy and political actors to the citizenry for the implementation and full achievement of the Vision;
- (c) Enhanced social participation in the implementation of the Vision by adopting a multi-stakeholder approach to the country assessment and validation of obtained results;
- (d) Enriched the body of knowledge on the Vision by increasing the availability of multilevel data and information on countries' experiences with the implementation of the Vision.

8. Anticipated benefits of using the African Minerals Governance Framework

The African Minerals Governance Framework is an instrument that assists African countries in gauging the effectiveness of national policies, laws, regulations, strategies, processes and institutions and in ensuring optimal use of mineral resources to underpin broad-based sustainable growth and socioeconomic development, as required by the Africa Mining Vision. The implementation of the Framework will therefore help countries to achieve the goals of the Vision. All stakeholders in the mineral sector at the local, national, subregional and continental levels can benefit from the Framework. Given that implementation will be mainly at the national level, the Framework acts as an assessment tool on the process of the Vision's implementation through the Country Mining Visions. Governments will therefore have the advantage of creating internal accountability tools on the basis of the Framework.

Considering that the African Minerals Governance Framework's country assessment process is participatory and collaborative, it creates a social contract between the State and its citizens, which enhances national accountability. Governments can use it as a monitoring framework, which is crucial for determining the extent to which the mining, oil and gas policies are on track, with a view to making the corrections or amendments necessary.

At the subregional and continental levels, using the African Minerals Governance Framework will foster knowledge-sharing, cross-country learning and act as a peer review mechanism. In addition, it will assist in the identification of areas that support regional integration through mining. The recommendations resulting from the periodic assessments will also help Governments to win support from the various stakeholders in their countries.

The African Minerals Governance Framework, used as a diagnostic tool, has the potential to broaden the understanding of mineral resource governance. In this context, the Framework includes critical aspects of governance, such as accountability, effectiveness, efficiency, fairness, sustainability and transparency of the mineral sector and related sectors.

9. Users of the African Minerals Governance Framework

African Union member States will use the African Minerals Governance Framework to drive continuous policy and regulatory reforms geared towards achieving the Africa Mining Vision, and to diagnose and assess the state of mineral governance in their countries. Regional Economic Communities, civil society organizations, communities, local and international private sectors, development partners and academic institutions can also use the Framework for various purposes within the purview of mineral sector governance and sustainable development.

The African Minerals Governance Framework, designed to be broad, flexible and comprehensively suited to Africa's mineral sector, can be applied to mining (solid minerals) and be specifically tailored to assess hydrocarbon (oil and gas) sectors.

10. Assessment methodology for the African Minerals Governance Framework

This section describes the assessment methodology for the African Minerals Governance Framework. The principal aim of using this methodology is to capture data and information on the extent to which a country's mineral sector innovatively and holistically contributes to ensuring inclusive growth and sustainable development. In other words, it assesses African countries' progress in fully implementing the Africa Mining Vision. The Vision's approach (used to inform the Framework) is that Africa's mineral comparative advantage can build competitive advantages and unleash structural economic transformation towards "knowledge-driven" economies. The content of the Vision is anchored to understanding that mineral resources are part of the stock of natural capital that can spur Africa's development.

The comprehensive nature of the Africa Mining Vision is implicitly recognized in the African Minerals Governance Framework and therefore examines the entire minerals value chain, from prospecting, exploration, contracting, mineral revenue, employment generation to the procurement of goods and services; entrepreneurial development; skills and knowledge creation; technology transfer; and infrastructure expansion and linkages, among others.

The expectation is that the African Minerals Governance Framework will be a long-term and aspirational instrument. Its implementation therefore requires the adoption of a change-driven approach and coordinated action between the public, private, civil society and community stakeholders in a systematic way.

10.1 Key components of the assessment

Assessment process and methodology

The African Minerals Governance Framework assessment methodology will involve a mixed-method approach, comprising qualitative and quantitative techniques. Qualitative techniques involve the collection of primary data through semi-structured interviews with key informants (e.g., policymakers, civil society, the private sector and affected communities) and, where applicable, field visits to mine sites, while quantitative or secondary data will be collected through desk reviews and from policy and legislative documents, reports and official publications.

Quantitative techniques will be applied after the collection of the primary data in the country assessments by using standard statistical tests to aggregate the collected data, analyse the information and draw appropriate conclusions and value judgements on the countries' performance vis-à-vis their implementation of the Africa Mining Vision.

The methodology and research approach of the African Minerals Governance Framework is designed to be iterative, such that there is constant communication between the various stakeholders who are directly and indirectly involved in the process (country researchers, peer reviewers, stakeholders, government agencies, the Africa Mining Vision's implementing partners, the African Union Commission and the African Minerals Development Centre team). Using this methodology will ensure that data gaps, new insights on mineral sector policies and country contexts are fully captured in the assessment outcomes.

The five stages below describe the African Minerals Governance Framework assessment process.

Stage 1: In-country data collection

An assessment team, in collaboration with the relevant Government ministry or department, will administer the African Minerals Governance Framework assessment tool. The assessment team will use value judgment in determining the appropriate data collection methods in accordance with the country context. Drawing on the pre-assessment political economy analysis and their contextual knowledge, the assessment team should exercise some flexibility in adopting a mix of data collection tools and answer the questions most relevant to the country and sector context. The team will prepare a draft Framework country assessment report on the basis of the data and information collected.

Stage 2: Data aggregation and analysis of the African Minerals Governance Framework country assessment reports

The second stage of the assessment process involves secondary analysis and aggregation of data by a reference group of subject matter experts to ensure that the collected data and information are robust and valid, draw out the appropriate conclusions from the country assessments and assign the country scores. Using the online portal, various stakeholders will have access to the country assessment reports,

extract data and information across the six pillars of the Framework, perform simple country comparisons and create infographics.

Stage 3: National peer review

Country experts in the relevant field will review the preliminary African Minerals Governance Framework country assessment report. The national peer review will involve an iterative process in which the peer reviewers may ask the assessment team to provide more information and clarity on the contents of the report or verify data and information sources.

Stage 4: Validation of the African Minerals Governance Framework country assessment reports

The fourth stage of the assessment process is the validation of the country assessment reports. This is crucial to securing the ownership and buy-in of stakeholders in the mineral sector with regard to taking the steps necessary to fulfil the Africa Mining Vision, while dealing with the gaps and policy issues arising from the African Minerals Governance Framework assessments. The Framework country assessment report will undergo a multilevel validation process at the national level (national multi-stakeholder forums), the subregional level (regional economic communities) and the continental level (the African Union Specialized Technical Committee on Trade, Industry and Minerals, and the Council of Eminent Persons)³. Whenever possible, policy forums, such as regional economic communities and the African Union statutory meetings, should be leveraged for the Framework country assessment report validation by ensuring that reports are included on the agenda and that there is full coordination with policy actors at all levels.

Stage 5: Use of report and recommendations

The final stage is the development of a government action plan to carry out recommendations, including the nature of the support required, followed by monitoring the implementation of the recommendations by the African Union, regional economic communities and other stakeholders. Governments should produce progress reports on the implementation of the Africa Mining Vision and share it with all stakeholders.

10.2 Scoring system

On the basis of the outcomes of the assessment and the validation process, an appropriate final score will be assigned to determine the progress of the assessed countries made in their implementation of the Africa Mining Vision. The scoring system involves a five-stage process.

Stage 1

In assessing a country's performance, the assessment team will examine the progress made in each of the six African Minerals Governance Framework pillars against the applicable Africa Mining Vision principle and arrive at a median score on the basis of the aggregate performance. To arrive at the overall finding of the country assessment (see the figure below), progress against each principle under the six pillars is

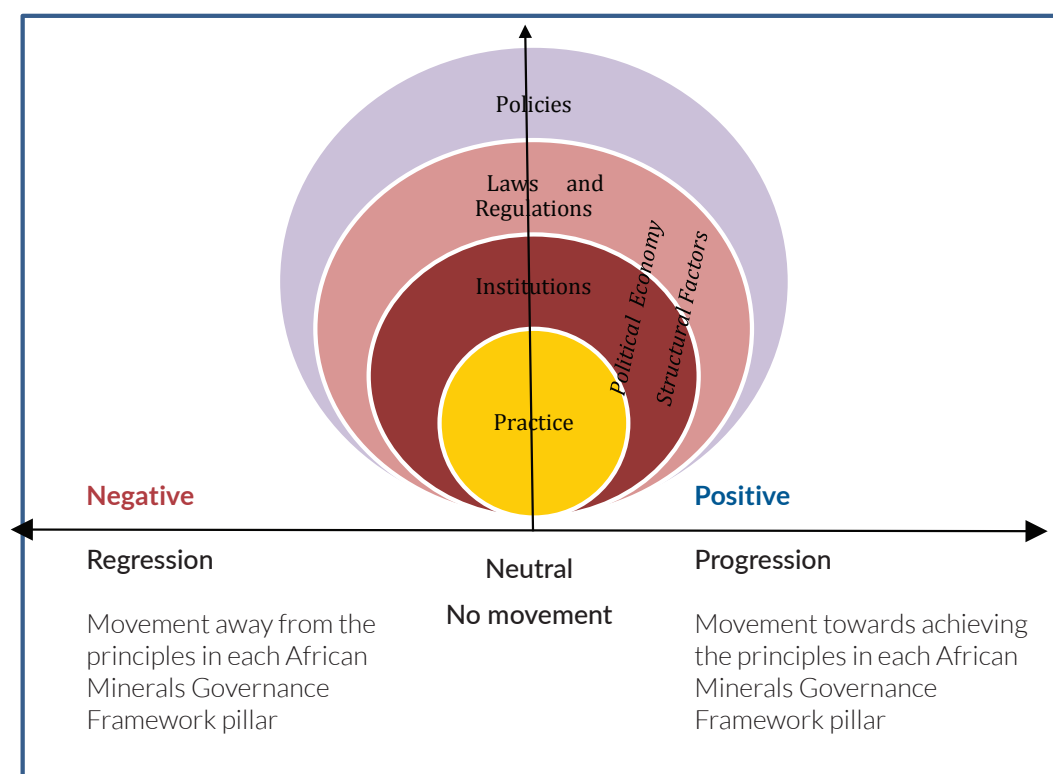
³ Section 12 explains these entities (their roles, composition and functions) with regard to the African Minerals Governance Framework assessment process.

determined according to their performance in four categories, namely, policies, laws and regulations, institutions and practice, with some weighting given to the underlying political economy and other structural issues raised by the assessment.

Ultimately, the African Minerals Governance Framework country assessments should have any of the following three overall findings:

- (a) Movement towards achieving the principles in each Framework pillar (progression);
- (b) Movement away from the principles in each Framework pillar (regression);
- (c) No movement (neutral).






Figure: Determining the African Minerals Governance Framework country assessment overall findings



Stage 2

The second stage of the scoring process is to convert the overall findings of the country assessment into a score along an ordinal scale, known as the Africa Mining Vision progress scale. The progress scale is colour-coded, with various colours assigned to show where a country's framework assessment places them along the scale towards the full achievement of the Vision. Appropriate colour-coded scores (all in a diamond shape) from the progress scale to countries will be assigned on the basis of the overall findings of the country assessments (see table 2).

Table 2: Africa Mining Vision progress scale

Rank	Colour code	Country descriptor	Comments
V	 Red	Beginner	The country is at the early stages of Africa Mining Vision implementation, with low average progression throughout the six African Mining Governance Framework pillars.
IV	 Orange	Moderate	The country is at the middle stages of Africa Mining Vision implementation, with fair or moderate progression throughout the six African Mining Governance Framework pillars.
III	 Grey	Intermediate	The country is at an intermediate stage of Africa Mining Vision implementation, with a mix of progression, regression and neutrality throughout the six African Mining Governance Framework pillars.
II	 Green	Advanced	The country is at an advanced stage of Africa Mining Vision implementation, with a high rate of progression throughout the six African Mining Governance Framework pillars.
I	 Gold	Peak	This is the highest score on the Africa Mining Vision progress scale and shows that the country has attained, or is very close to attaining, full Africa Mining Vision implementation, with maximal progression throughout the six African Mining Governance Framework pillars.

11. Online portal

The major instrument of the African Minerals Governance Framework assessment will be an online portal that will host the entire Framework pillars, assessment questions and the Framework country assessment reports.

The portal will offer an online database that allows stakeholders to gain access to data and information on a country's progress in achieving the goals of the Africa Mining Vision. The information on the portal will deal comprehensively with all the six pillars of the African Minerals Governance Framework determined according to performance in the four categories (policies, laws and regulations, institutions and practice), with some weighting given to the underlying political economy and other structural issues raised by the assessment.

The portal is designed to provide information grounded on feedback from the country assessments of all African Union member States and will allow for the ongoing process of gathering, analysing, interpreting and using data to gauge each country's progress and achievements.

The African Minerals Governance Framework portal will have three major mechanisms:

- (a) Visual: This mechanism will allow for the visualization of each country's progress in terms of reforms and achievements in each of the six Framework pillars against the applicable Africa Mining Vision principle;
- (b) Analysis: This mechanism will provide a function through which using the scoring process the overall findings of the country assessment will be displayed in accordance with the score along an ordinal scale, known as the Africa Mining Vision progress scale. Each country will have a colour code assigned on the portal to show where countries' Framework assessments place them along the scale towards the full achievement of the Vision;
- (c) Comparison: The third mechanism provides the user with the ability to compare multiple countries' progress with another country's progress using the progress scale's descriptor (beginner, moderate, intermediate, advanced and peak). The mechanism will also allow for a comparison of the countries' progress along the various themes of the Framework to understand the areas that require further attention.

12. African Minerals Governance Framework assessment-guiding questions

Following a rigorous iterative process, which included consultation with a broad range of stakeholders from Governments, civil society and mining-affected communities, assessment questions were carefully selected (inspired by the Africa Mining Vision) to reflect the core issues throughout the mineral value chain, which, if successfully implemented, will contribute to the realization of the Vision's goal. These questions, designed to guide the collection of data and information in various African countries as part of the African Minerals Governance Framework assessment countries, are to determine the progress made in implementing the Vision.

12.1 Pillar 1: Legal and institutional framework for contracts and licensing

African countries often struggle to put in place consistent, predictable and effective policy, legal and institutional frameworks to regulate the allocation of mining rights. A critical capacity constraint in this area is the limited human and institutional capacity of African States to negotiate contracts effectively with investors. Another key challenge to the efficient governance of mineral resources in Africa is the limited or non-public disclosure of mining contracts.

It is, therefore, vital for African Governments to develop legal and institutional frameworks that provide scope for effective contract negotiation, contract review, the public disclosure of contracts and licenses and the curbing of discretionary powers. In addition, the existence of an effective, expeditious and independent judicial and dispute resolution system is critical for resolving disputes relating to mineral rights, licensing and contracts. Table 3 presents a set of guiding questions that will help to assess a country's transparency in licensing and mineral rights management.

Table 3: Assessment questions – legal and institutional framework for contracts and licensing

Outcome 1	Greater transparency in licensing and management of mineral rights
Desired Intervention	Develop a comprehensive and transparent licencing and mineral rights management system
Assessment questions	
Policy and legal process and frameworks for awarding mineral rights	
<ol style="list-style-type: none"> 1. What is the policy, law and practice on the ownership of mineral rights? 2. What policies, laws and systems or institutions exist for the award of mineral rights and licences? 3. Are there deliberate policy and legal provisions to promote inclusive and equitable access to licences and contracts in the minerals sector to women, young people and other marginalized groups who are interested and qualified for minerals activities? 4. Does the licensing regime separate reconnaissance/prospecting/exploration licensing from mineral or use agreements? 5. Does the policy and law mandate Government or regulatory agencies to undertake due diligence of investors before mineral rights licensing? 6. Does the policy and law provide for the renegotiation of contracts or minerals rights? 7. Does the law provide for competitive bidding of known resource? 8. Does the policy or law provide for the use of direct negotiations if an open and competitive process fails? 9. Does the law provide for conditions under which a competitive bidding can fail? 10. Does the policy or law provide for public disclosure of winning bids and reasons? 11. Does the policy or law require the executive to issue public notices in a timely manner before vetoing and stating the reasons for vetoing an open and competitive process? 12. Is there a process for the public to challenge government decisions on vetoed competitive negotiations? 13. How do the policies and laws tackle the issue of conflict of interest for public officials in allocating mineral rights or managing contracts? 14. Are there mechanisms in place for having a consultation with relevant stakeholders prior to the awarding of minerals rights, licences and contracts (e.g., private sector, civil society organizations, affected communities, parliamentarians, women and young people's groups)? 	
Contract transparency	
<ol style="list-style-type: none"> 15. Is there a model of a mineral contract that is publicly available? 16. Does the policy or law provide for mandatory public disclosure of mineral contracts/appendices and permits by Governments? 17. Does the policy or law provide for contracts to be easily available to the public? 18. Does the law provide for the mandatory public disclosure of beneficial ownership information, including all affiliates? 19. Does the law require parliamentary approval of mineral contracts? 	
State and public official participation	
<ol style="list-style-type: none"> 20. Is there country ownership and public investment in mining? 21. Through what legal mechanism does the country participate in mining? 22. What are the advantages and challenges associated with country participation in mining? 23. How do policies and laws tackle the issue of conflict of interest for a country in allocating mineral rights or managing contracts? 24. Does the law provide a penalty for conflict of interest involving public officials? 	

Institutional and capacity needs

25. What is the nature of the country's capacity (e.g., financial, human, technical and technological) to negotiate, monitor and evaluate mineral contracts?
26. What is the process and structure of a contract negotiation?
27. Do the contract negotiation processes and structures ensure adequate participation (e.g., by mining-affected communities, parliament, civil society, young people, women and artisanal miners) and oversight?
28. Does the law provide for independent oversight on the discretionary powers of the contract negotiating authority, such as the President, Minister of Mines or the Executive?
29. What measures are in place to improve institutional capacity to negotiate, monitor and evaluate mineral contracts?

Dispute resolution

30. Are there laws and systems to promote or facilitate national alternative dispute resolution mechanisms (e.g., mediation, negotiation and arbitration)?
31. How accessible, effective, expeditious and independent is the justice system in the dispute resolution?
32. What mechanisms are there to strengthen the capacity of the justice system for national and international dispute resolution?
33. What institutional mechanisms are in place to conduct community consultations (free, prior and informed consent) prior to award of mineral contracts and to resolve disputes?

12.2 Pillar 2: Geological and mineral information systems

Geoscientific data and information have a universal value and are useful not only for the mineral sector, but also for all economic sectors, such as infrastructure and agriculture. There are two vital challenges facing many African countries. First, geological surveys, which are the custodians of geological and mineral data and information, often have inadequate resources to produce, manage and disseminate data and information proficiently. Second, there is a lack of an adequate local and transborder data policy regarding, among others, data standardization and harmonization of nomenclature, and resource classifications and reporting systems to promote broad and sustainable development processes in Africa.

Geoscientific data and information generated in a systematic manner at the appropriate scales throughout Africa can significantly enhance the mineral prospectivity of the continent, increase private-sector investment in exploration and mine development, promote environmental sustainability and aid geohazards monitoring and mitigation, infrastructural development linkages and land-use planning, to name but some examples. A standardized geoscientific data and mineral information system will enable Governments and the private sector to negotiate mining development contracts in a win-win situation and build a strong land-use management plan to make informed decisions on land-use issues.

In addition, there is a need to strengthen the capacity of African geological surveys to produce, manage and disseminate geoscientific data and information. The availability of geological and mineral data and information allows relevant stakeholders to make informed decisions on many issues, such as the development of the mineral sector. The more accessible and standardized the information is, the greater the prospective

benefits from investment in exploration and mine development. Table 4 presents a set of guiding questions that will help to assess a country's policy and legal framework for geological and minerals information systems.

Table 4: Assessment questions – strengthening the capacity of African geological surveys

Outcome	Comprehensive knowledge of mineral endowment leading to broad-based development
Desired intervention	Improve and strengthen geological and minerals information systems to underpin investment, exploration and mine development
Assessment questions	
Policy and legal framework	
<ol style="list-style-type: none"> 1. What policies and laws exist in the country to govern collection, ownership, custodianship, disclosure, management and access to geological information? 2. What mechanisms or institutions are responsible for the collection, management and access to geological information? 3. Does the country have a national land-use and management policy or law in relation to the mineral sector? 4. Is the land-use policy and law complemented by other policies and laws at relevant administrative levels, taking into account the land and quality and quantity of mineral resources? 	
Geological and mineral information system legal framework	
<ol style="list-style-type: none"> 5. Is there any provision in the regulations for financing the geological surveys from the minerals revenue? 6. Does the legal framework make provision to ensure that geological data and information acquired by the private sector is available to Governments? 7. What are the current legal or other impediments to acquisition of geological data and information? 8. Is there a legal framework or provision for Governments to utilize geological data and information in the best way for public good? 9. How is geological data and information used by Governments to create valuable assets? What legal sanctions exist for failure to comply? 10. What legal frameworks exist to ensure the routine disclosure and optimal use of geological information in the best public interest? What remedial actions exist for failure to comply? 	
Geological surveys institutional framework	
<ol style="list-style-type: none"> 11. What kind of geological survey does the country have? 12. Is it autonomous or linked to a government ministry? 13. How is the survey financed? 14. Is there a well-developed and efficient mechanism for coordinating the handling and sharing of geological data and information? 15. Is there a skills development levy and, if so, how is it structured? 16. Is the country a member of the Organization of African Geological Surveys? 17. If not, are there any constraints for the country to join the Organization? 18. Is there any value or benefits associated with membership in the Organization? 19. Which constraints, if any, are inhibiting geological and minerals institutions in discharging their responsibilities? 	

Production, management and dissemination of geodata

Production and collection of geodata

20. Is there a national minerals research development strategy?
21. How frequent are geological surveys conducted by the geological surveys? When was the last survey conducted?
22. Does the geological surveys have adequate capacity to undertake geological surveys?
23. Are there mechanisms for collaboration between geological surveys and the private sector to conduct geological surveys?
24. To what extent does the use of geological surveys rely on databases already developed (such as the open access regional geoscience and geographic databases)?

Data storage and access

25. Is there a digital geological database?
26. How efficient and up to date are the country's data storage and access technologies?
27. Are geological data easily available? What are the barriers to gaining access to geological data and information by interested stakeholders and companies?

Type of available geological data

28. Is there a geological base map? If so, at what scale?
29. Is there a mineral occurrence map of the country? If so, at what scale?
30. Are there documentations on the types of minerals and their locations?

Ownership and custodianship of geodata

31. Who is the owner and custodian of geological data?
32. Who owns the geodata acquired through a donor-funded programme (e.g., the World Bank and the African Development Bank)?
33. Who owns the data if there is a value addition through cooperative projects such as the African Minerals Geoscience Initiative?

Data integrity and security

34. Is there official Government information on total mineral reserves?
35. Does the Government possess detailed geological data on the quantity and quality of its mineral resources?
36. Is there public access to this information to foster trust, transparency and accountability between geological information providers and the wider stakeholder community?

Availability of data

37. Are geological data, information and metadata available and, if so, at what scale?
38. In what form are the maps available (digital or print)?
39. How are geological data disseminated?

Status of geological information as a public good

40. Does the country consider geological information a public good made available for various applications in the mineral sector and for broad development?
41. How well is the role of geology in society understood by the majority of citizens? What evidence is there for this?
42. What mechanisms are in place to raise the awareness and improve knowledge of geological information as a public good?

Confidentiality of data and information

43. Are commercially and national security sensitive data collected by geological survey kept confidential in accordance with national law?
44. Is there confidentiality to ensure trust and sharing of commercially sensitive information with the geological survey?
45. If prospecting or exploration do not result in a mine, does the geological survey keep the records to stimulate further prospecting and exploration?

Geological survey sustainability and capacity-building*Tackling capacity issues*

46. Is there capacity (human and infrastructure) to interpret, review, archive and disseminate information?
47. Does the geological institution have an adequate budget to upgrade its physical infrastructure and human capacities in order to have modern geological and mineral databases?
48. Do education and training institutions offer specialized diplomas, degrees and internships in the geosciences?
49. Are there policies to make education and training institutions more inclusive in terms of women, young people and other vulnerable groups?
50. Is there a portion of the resource rents invested in human development (skills in critical areas) in the field of geosciences, including women, young people and other vulnerable groups?
51. Are there improved terms and conditions of employment to allow for the recruitment of competent staff and the retention of the best officials in key positions in geosciences on an inclusive basis?
52. Is there a system of incentives to retain skilled staff in the geological surveys?

Coordination of geological surveys and initiatives

53. Are the activities from geological surveys and initiatives coordinated at the national, regional and continental levels?
54. Is the geological information consistent at the national, regional and continental levels?
55. Is there bilateral and multilateral cooperation in the acquisition and sharing of geological data that can contribute to improvement in and integration of geological information in Africa?
56. Is there a well-developed and efficient mechanism for coordinating the handling and sharing of geological data and information at the national, regional and continental levels?

Financial capability

57. Are there adequate resources for geological surveys and initiatives in terms of budgets, equipment and staff in order to undertake systematic geological mapping of the entire territory, territorial sea, exclusive economic zones and the continental shelf?
58. Are geological surveys and initiatives capable of collecting, compiling, processing, storing, managing, analysing, interpreting, presenting and sharing geological data, information, and undertaking other necessary functions?
59. If not, why are geological surveys underresourced?
60. Can additional measures be put in place to strengthen the capacity of geological and minerals institutions?

Scientific and professional ethics in all decision-making

61. Do the geological surveys and initiatives make decisions according to strictly professional considerations, including scientific principles and professional ethics, on the methods and procedures for the collection, compilation, processing, management, analysis, interpretation, presentation, storage and sharing of geological data and information?
62. Does the use of scientific and professional ethics in all decision-making retain and strengthen trust in geological information and the institutions that generate or obtain (or both) this information?
63. Are there ethical procedures for the institution in discharging its responsibilities?

Planning and cost of data in data value chain

64. Are data, for geological purposes, compiled from all types of sources, including remote sensing, field surveys, lab testing and other sources?
65. Is there a plan of activity, including related costs to achieve the desired results?

Effectiveness of geodata

Effectiveness of geodata to improve transparency in the minerals sector

66. To what extent do available data in the national geological surveys assist in the following areas:
 - (a) **Policy, regulations and fiscal regimes:**
 - (i) To improve the development and the application of policies, regulations and fiscal regimes for minerals activities?
 - (ii) To provide better decision-making options and improve the management capacity of mineral resources and minerals sector activities?
 - (iii) To enable African geological institutions to deal with mineral resources in a sovereign manner?
 - (b) **Contract and licensing:**
 - (i) To better assess the potential of minerals projects and support the design of optimal tenders with the real value of mineral resources?
 - (ii) To facilitate price discovery for Governments and support decision-making in contract negotiation through information on quality and quantity of ores in the subsoil?
 - (iii) To provide Governments with better options for concession of exploration and minerals permits?
 - (iv) To monitor licenses of contracts and follow up mineral exploration and exploitation projects and activities?
 - (c) **Taxation:**
 - (i) To establish judicious taxation rates and ensure that countries receive a fair share of the mineral-related revenue?
 - (ii) To reduce the risks for investors and alleviate investor tendencies to require very favourable tax regimes?
 - (d) **Environment:**
 - (i) To allow a better assessment of the environmental impact and sustainability of minerals projects and activities?
 - (ii) To support environmental impact assessment and management and waste management and disposal?
 - (iii) To support, improve and follow up artisanal and small-scale mining activities to help them integrate into local and regional economic development and land-use plans and strategies?
 - (iv) To strengthen the capacities of artisanal and small-scale mining operations in order to operate viably with minimal environmental and social damage?
 - (v) To formalize artisanal and small-scale mining and upscale programmes to upgrade knowledge, skills and technology in the subsector?

- (vi) To develop continental policies, laws, regulations, standards and codes and promote sustainable artisanal and small-scale mining?
- (e) Value addition:**
 - (i) To assess industrial minerals with low value but very high linkage potential, including:
 - a. Agro-minerals to improve agricultural development in Africa for soil rehabilitation and fertilizers, such as carbonates, potassium and phosphorite?
 - b. Minerals that can support African industrialization as inputs into the manufacturing of cement, ceramics, glass, paints, toothpaste and many other products?
 - c. Aggregate and other materials for construction and infrastructure development in Africa, such as sand and gravels?
- (f) Blue economy:**
 - (i) To develop the African blue economy by supporting coastal and oceanic management; delimiting African countries' outer continental shelf, assessing marine mineral resources and guiding the identification of potential areas for fishing and bio-prospecting activities?
 - (ii) To identify underground water resources and plan for their use and management?
- (g) Disaster management:**
 - (i) To identify the effects of natural hazards of geological origin, their monitoring and mitigation, such as landslides and rock falls, collapses, slumps, erosion, sedimentation, earthquakes, natural emissions of hazardous gases, land motion and subsidence and shrinking and swelling clays,?
- (h) Infrastructure development and linkages:**
 - (i) To highlight the characteristics of the ground when planning and performing infrastructure works, such as dams, ports, roads, pipelines, transmission lines, bridges, viaducts, roads and development corridors?
 - (ii) To identify opportunities for geo-heritage (e.g., through museums and other special institutions and the development of geo-tourism relating to volcanoes, hot pools, spectacular rift landscapes and other geological features)?
 - (iii) To make the correct use and occupation of urban and rural land, sustainable urban development and safe construction?
 - (iv) To identify favourable areas for the various types of agricultural activities?

Improve the standards of reporting, resource classification and mineral reserve valuation, while also optimize mineral resource and reserves governance

Standardization of data and information

- 67. Do the geological institutions and initiatives in the country standardize geology and mineral information systems, including nomenclatures, classifications, mapping scales and methods?
- 68. Which regional and international initiatives contribute the most to the strengthening of geological and mineral information systems in the country?
- 69. How do you maximize the benefits arising from the country's participation in regional and international initiatives aimed at expanding Africa's geological coverage and mineral inventory?

Standardization and harmonization of nomenclature of resource classifications and reporting systems

- 70. Does the country have any reporting standard of geological, mining inventory and exploration research?
- 71. Does the country have incorporated into laws and regulatory frameworks the principles of recognition of an established international standard of reporting mineral exploration activities?
- 72. Is there any regulatory framework that institutes a harmonized professional body of geoscientists and mining engineers?
- 73. Does the country have any mineral resource or mineral reserves reporting and classification standards?
- 74. Does the country have incorporated into laws and regulations the principles of competent person for mineral resource or mineral reserves declaration and competent valuator for mineral resource or mineral reserves valuation?
- 75. Is there any law or regulation that institutes the procedure for the public declaration of mineral resource and reserves?
- 76. Are there any current policy, law and regulations for bridging the current trends of international standards of reporting, classification and the public declaration of mineral resource or mineral reserves?

12.3 Pillar 3: Fiscal regime and revenue management

Translating mineral wealth into overall economic development and enriching the lives of citizens remain a paradox for many resource-rich African countries. Two key challenges facing African countries are, first, how to design and balance the revenue-sharing arrangements between the host country and investors⁴ and, second, how to collect and manage the revenue for optimal public benefit. Table 5 presents three sets of guiding questions that will help to assess fiscal regime and revenue management.

Table 5: Assessment questions – fiscal regime and revenue management

Outcome 1	Optimized share of revenue accruing from mineral resource extraction
Desired interventions	Improvement in the policy, legal and fiscal frameworks for revenue maximization and increased investment in the mineral sector
Assessment questions	
Fiscal regime	
<ol style="list-style-type: none"> 1. What are the policy objectives of the country's fiscal regime, in general? 2. What are the policy objectives of the country's fiscal regime for the mineral sector? 3. Do the legislation and regulations provide for the mineral sector's fiscal regime? 4. What are the mechanisms or tools of the mineral sector's fiscal regime? 5. How flexible and progressive is the mineral sector's fiscal regime? 	
Fiscal regimes and revenue maximization	
<ol style="list-style-type: none"> 6. What are the various revenue collection streams in the mineral sector (e.g., tax and royalties)? 7. Do these streams allow for optimal and maximum revenue collection? 8. What are the gaps in the fiscal instruments that undermine revenue maximization? 9. What are the institutionalized processes, procedures and policy measures to identify and tackle the gaps in the fiscal instruments that undermine revenue maximization? 10. Are there any ring-fencing provisions for tax liabilities? 	
Corruption and revenue maximization	
<ol style="list-style-type: none"> 11. Does the country have policies, laws and institutions to combat corruption in the mineral sector? If so, how effective are these? 12. Are there dedicated institutions to expedite corruption cases relating to the mining industry? 13. Are there laws and systems to protect whistle-blowers? 14. Are there mechanisms for the cross-border harmonization of anti-corruption policies, laws and systems? 	
Harmonization of tax instruments	
<ol style="list-style-type: none"> 15. Are there policy and legal instruments that provide for a uniform tax foundation? 16. Are there policy or legislative reasons for the existence or the lack of a uniform tax foundation? 17. Are there discrepancies between local and central government tax regimes? 	
Fiscal regimes and investment	
<ol style="list-style-type: none"> 18. How does the design of fiscal regimes encourage investment? 19. What types of incentives are offered to (foreign and local) investors and why? 20. Which laws provide for these incentives, if any? 21. How do fiscal incentives for investment in the minerals sector support national development? 	

⁴ "Investors" refers to both local and international.

22. Are there any economic analyses, including a cost-benefit analysis of mineral sector investment and incentives? How frequent are these analyses?
23. Do the benefits of these incentives outweigh the costs and, if so, how?
24. Does the country have templates for the negotiation of bilateral investment treaties and double taxation agreements?
25. Has the country signed and/or revised any bilateral investment treaties with fiscal provisions?
26. What are these fiscal provisions and how do they enhance/erode the tax base of the country?
27. What are the key tax provisions in these bilateral investment treaties and double taxation agreements?

Customs, duties and tariffs

28. Are there adequate policies and regulations that will enable customs and excise duty agencies to maximize revenue collection from the mining sector?
29. Are the customs and excise duty agencies equipped to efficiently and effectively assess and collect tariffs from the mining sector?
30. What technology does the customs use in the assessment and collection of duties or tariffs?
31. Is there a mechanism for cross-border cooperation on customs?

Fiscal administration

32. Are there dedicated national and local units/agencies/departments to assess and collect revenue from the mineral sector?
33. Do the national and local tax agencies have adequate operational capacity (e.g., staff, training, legal mandate and financial resources)?
34. Are there mechanisms for assessing capacity gaps in the assessment and collection of taxes?
35. What mechanisms are in place for validation of the tax liability of minerals companies?
36. Are there any reviews of tax terms provided in contracts/permits/licences that are subject to legislative approval?
37. Is there an effective tax tribunal with the capacity to handle tax-related disputes?

Fiscal regimes and illicit financial flows

38. Does the country have a definition of illicit financial flows?
39. Does the country have the capacity to identify and assess illicit financial flows?
40. What policy and legal measures has the country implemented aimed at combating illicit financial flows?
41. Are there arm's-length provisions on transfer pricing in the mineral sector?
42. Are there dedicated units or departments to monitor transfer pricing and other forms of illicit financial flows within the national tax administration?
43. If not, do authorities have the skills and capacities needed to deal with the intricacies of transfer pricing?
44. How does the country assess its progress in combating illicit financial flows?
45. Is the country a member of any regional or international forum to combat illicit financial flows from the mineral sector?
46. How has the country's membership of these forums been helpful in combating illicit financial flows from the mineral sector?
47. Are there regulations on thin capitalization? If any, how effective are they?
48. Does the law provide a declaration of beneficial ownership of a minerals entity?

Outcome 2	Improved transparency and accountability in the management of mineral revenue
Desired interventions	Strengthen policies, laws and practice or systems and institutions for transparency and accountability in the management and use of mineral revenue
Assessment questions	
Management of revenue	
<p>49. Is there a clear definition and policy on what constitutes government revenue from the minerals sector?</p> <p>50. What is the policy and law on separate accounts under the central government account for mineral revenue and non-mineral revenue?</p> <p>51. What is the contribution and proportion of mineral revenue in total revenue?</p> <p>52. Are there clear rules on deposit to and withdrawal of mineral revenue from the central government account? If so, how effective are these?</p>	
Savings and expenditure	
<p>53. Are there specific published rules determining the balance between saving and spending mineral revenue?</p> <p>54. Are there policies or rules determining the allocations to recurrent expenditure and capital expenditure?</p> <p>55. Are there guidelines to ensure balance between savings, recurrent expenditure and long-term investment?</p> <p>56. Is there a fiscal responsibility law in the country? If yes, what is the implementation process?</p> <p>57. Does the fiscal responsibility law provide specific guidelines on public expenditure, savings and debt balances?</p>	
Distribution of revenue	
<p>58. Are there mechanisms to determine the allocation of mineral revenue between economic sectors?</p> <p>59. Does the country have statutory provisions for mineral revenue-sharing between the various levels of government in the country?</p> <p>60. Are there laws and mechanisms for sharing mineral sector revenue with host communities?</p> <p>61. Is the mineral revenue-sharing formula publicly available?</p> <p>62. Are there regular public disclosures of distributed mineral revenue to the recipients (e.g., host communities and local and regional governments)?</p> <p>63. How are the major challenges in implementing mineral revenue-sharing identified and dealt with?</p> <p>64. What are the accountability mechanisms that apply to the mineral revenue-sharing system?</p>	
Sovereign wealth funds	
<p>65. Is there a sovereign wealth fund for investing mineral sector revenue?</p> <p>66. What are the policy and legal frameworks for the establishment and management of the sovereign wealth fund?</p> <p>67. What are the purposes and components of the fund?</p> <p>68. Does this or do other funds focus on transformation?</p> <p>69. Are there separate accounts in the fund for the various components, such as for stabilization, future generations and intergenerational equity?</p> <p>70. Does the national budget system cover the expenditure of the fund?</p> <p>71. Is the management of the fund independent from the executive? If so, is this subject to parliamentary oversight?</p> <p>72. What mechanisms are there for the coordination of activities under the fund between fiscal and monetary agencies in Government?</p> <p>73. How does the country determine payments into and withdrawals from the fund?</p> <p>74. What is the investment and risk management policy that guides decisions on investing the funds?</p> <p>75. Which institution or official (aside from Parliament) approves the investment goal of the fund?</p> <p>76. What is the reporting mechanism for the activities and operations of the fund?</p> <p>77. What are the mechanisms to meet the challenges hindering the proper management of the fund?</p>	

Auditing of mineral revenue

78. Is there a national audit agency and what is its statutory mandate?
79. How often does the national audit agency conduct mineral revenue audits? Are these audit reports publicly available?
80. Is there a legal requirement for special auditing of mineral revenue?
81. Are there clear mechanisms for verifying revenue from the mineral sector (e.g., an independent valuator or auditor)?
82. What is the law and practice for auditing the sovereign wealth fund?
83. Is there parliamentary oversight of the audit reports? If so, what is the process?
84. Are audit reports on mineral revenue available? If so, how often are they produced and are they publicly accessible?

Transparency and accountability rules

85. What are the legal requirements and practice for publishing payments by mining and extractive companies and receipts by Government?
86. Is information on the receipt and use of mineral revenue freely accessible to the public? If so, how is this information made available?
87. Are there expenditure-reporting guidelines for mineral revenue?
88. What are the legal requirements for the disclosure of projects funded by revenue from the minerals sector?
89. What are some of the challenges in implementing the accountability rules for the management of mineral revenue?

Outcome 3**Equitable and efficient use of resource revenue****Desired interventions**

Improvements in the policy, legal and mechanisms, including capacity for equitable and productive use of resource revenue and productive investment to promote broad-based development

Assessment questions**Efficient use of resource revenue**

90. What mechanisms are in place to ensure the investment of mineral revenue in productive sectors of the economy?
91. What productive areas are mineral revenue invested in and what are the returns?
92. Is there a continuous system of monitoring the use of mineral revenue to achieve the intended purposes?
93. Is there a legal provision for flexibility in adjusting the use of mineral revenue at various levels?

Equitable utilization of revenue

94. Are there mechanisms in place to ensure the allocation of mineral revenue in an inclusive and equitable way (e.g., to reward host or affected communities and women and promote the social inclusion of disadvantaged groups)?
95. How does the utilization of mineral revenue promote gender equity?
96. How do the revenue utilization policies and legislation deal with the interest of vulnerable communities?

^aThe role of the fiscal regime is to optimize and maximize revenue and to promote a type of reinvestment in the local economy, including diversification and linkages.

^bThis refers to the sensitivity to global commodity price fluctuations or political instability (or both).

^cFor example, tax collection increases and changes with mining industry profitability.

^dFor example, bonuses, tax holidays, transfer prices, stability clauses, double taxation agreements and bilateral and multilateral treaties.

12.4 Pillar 4: Linkages, investment and diversification

Mineral resources, while driving high rates of growth and export throughout African mineral producers in the past, have had limited positive externalities regarding employment, income and inclusiveness. The means to link mineral resources with greater sustainable socioeconomic development is through fiscal and mineral economic linkages. This is at the heart of the Africa Mining Vision.

Of core importance is the promotion of fiscal linkages by reinvesting resource rents into long-term human, social and physical infrastructure to replace the resource capital lost with new capital that can outlive mining. The direct mineral linkages include upstream and downstream value addition (mineral beneficiation), knowledge linkages science, technology, engineering and mathematics and research development and innovation, and spatial linkages (by optimizing the use of mineral resource-based infrastructure to promote broader development). The only countries that have industrialized from the use of mineral resources are those that have utilized these seminal linkages. Table 6 presents three sets of guiding questions that will help a country to assess the economic significance of the minerals sector in terms of an industrialized African economy.

Table 6: Assessment questions – linkages, investment and diversification

Outcome 1	A knowledge-driven minerals sector that is a key component of a diversified, vibrant and globally competitive industrialized African economy
Desired Intervention	Strengthen and invest in education, science, technology, engineering and mathematics skills development and technology transfer for an inclusive and competitive mining industry
Assessment questions	
Overview	
<ol style="list-style-type: none"> What is the economic significance of the minerals sector in your country? In terms of: <ul style="list-style-type: none"> Contribution to gross domestic product? Exports? Export earnings? Employment (skilled, semi-skilled, unskilled, employment of locals; employment of foreign or external staff; employment of men, women, young people and vulnerable groups)? Does the country have a vision or strategy for the mineral sector? If so, how does it align with the Africa Mining Vision? Does the country have a national development plan? Does the national development plan include strategies for a mineral-based industrialization strategy? What mechanisms exist for the implementation of such a strategy or other development plans relating to the minerals sector? What mechanisms exist for the monitoring and evaluation of the strategies alluded to in question 5 above? Are there dedicated funding mechanisms to support such a strategy, if it does exist? Do the country's labour policies promote labour-intensive hiring for the minerals sector? If so, explain how. What incentive mechanisms exist to promote labour-intensive production in the sector where that is feasible? What mechanisms exist to promote inclusive and equitable hiring and conditions of service in the sector? What strategies and policies does the country have to encourage citizen participation in the minerals sector (including business ownership and investment)? What policies exist to support the strategy alluded to in question 12 above? 	

Educational policy and legal framework

14. What are the educational policy and legal framework to support science, technology, engineering and mathematics skills development?
15. Are these policies and legal frameworks inclusive in terms of women, young people and vulnerable groups?
16. What are the mechanisms for the implementation of these policies?
17. How effective are these mechanisms and interventions?
18. Are there deliberate strategies to encourage the private sector intake of locally trained human capital on an inclusive basis?
19. Does the law provide for a dedicated funding mechanism from the private sector for science, technology, engineering and mathematics development?

Technical and vocational training

20. Is there a policy to support technical and vocational training?
21. What mechanisms are in place to promote and facilitate the implementation of the policy in an inclusive way for women, young people and socially disadvantaged groups?
22. How effective are the mechanisms?
23. Are there dedicated funding mechanisms to support technical and vocational training?
24. Does the country have a mechanism to compel the mining industry to provide technical and vocational training internships and uptake?
25. Are there mechanisms to promote awareness and uptake of technical and vocational training by students and the broader society?
26. Is there a link between the technical and vocational training system and the needs of firms in the sector? How so?
27. Is there a formal apprenticeship programme? Does the firm, Government, workers or a combination of all sponsor it?

Technology, research and development

28. Does the country have a research and development policy and strategies to support the mineral sector?
29. How is the research and development policy and mechanism funded?
30. Are there established institutions for research and development in the mineral sector?
31. What kind of deliberate policies are in place to provide infrastructure, institutions, financing and technology development and transfer?
32. How is the Government promoting public-private partnerships to support mineral sector development?
33. How does the country ensure inclusiveness in research and development and technology transfer to and from the mineral sector?
34. What mechanisms are in place to harness the knowledge information and skills base from the diaspora?

Outcome 2	Broad-based development catalysed by a mineral sector that promotes mineral upstream, downstream, sidestream economic and infrastructure linkages
Desired intervention	Create a conducive environment to catalyse the mineral sector to generate upstream, downstream, sidestream economic and infrastructure linkages
Assessment questions	
Mineral exports	
<p>35. How is the country ensuring that it shifts from commodity production towards value-adding activities in the minerals sector?</p> <p>36. Are there policies in place to support a shift towards high-value exports promotion?</p> <p>37. What are the implementation mechanisms?</p>	
Local content, policy and law	
<p>38. Is there a local content policy or law (or both) for the mineral sector?</p> <p>39. How does policy and law define local content (e.g., ownership, maximization of local procurement, percentage of local transformation or beneficiation, local employment and technology transfer)?</p> <p>40. To what extent are local content provisions included in licences, contracts and investment agreements?</p> <p>41. What is the method used to identify local content items? Do they reflect current production capabilities or envisioned opportunities? If they reflect envisioned opportunities, what is the method used to identify them?</p> <p>42. To what extent does the policy and legal framework provide for quantitative and qualitative requirements for local content for the mineral sector?</p> <p>43. How does the policy and legal framework balance regulatory measures and the need to promote competitiveness?</p> <p>44. How does local content policy, law and practice promote domestic industrialization, including small and medium-sized enterprises?</p> <p>45. What are the incentives used to promote local content?</p> <p>46. How is the integration of local content into the national development planning agenda or vision achieved?</p> <p>47. Are there national policies and strategies to promote value addition, including beneficiation, and the processing of minerals?</p> <p>48. How do these policies contribute to rigorous supply chain analysis of the mineral sector value chain to identify opportunities for local participation?</p> <p>49. Are there specialized institutions tasked with promoting and supporting local content development?</p> <p>50. How does the country's local content policy, regulation and practice promote and encourage participation of small and medium-sized enterprises, women, young people and vulnerable groups in the mineral sector at all levels?</p>	
Regional integration and local content	
<p>51. How does the local content policy, law and practice promote regional industrialization, including small and medium-sized enterprises?</p> <p>52. How is the definition of local content in the mineral sector aligned with the regional local content policy and regional integration agenda?</p> <p>53. How are the country's international trade and investment commitments and agreements aligned with strategies for downstream and upstream linkages?</p>	
Monitoring local content	
<p>54. Does the country have a monitoring system and institutions for local content policy and targets in the mineral sector?</p> <p>55. How do local content rules ensure that it deals with local manufacturing and not just national suppliers?</p> <p>56. Does the local content policy, strategy and law provide targets and timelines for achieving local content?</p> <p>57. Is there a regulatory framework that compels companies to report on compliance with the standards?</p> <p>58. Does the country have affirmative action policies in place in local content policy and law (e.g., small and medium-sized enterprises and women, young people and other disadvantaged groups)?</p>	

59. Are there clear and transparent criteria and mechanisms for the selection of enterprises for local content support?
60. What are the mechanisms for remedy in case of deviation from local content plans and targets?

Strategic issues in local content

61. Which institutions and stakeholders participate in policy formulation, development and review of local content?
62. What are the mechanisms for participation or inclusion of small and medium-sized enterprises, women, young people and vulnerable groups on policymaking on local content?
63. What are the strategies for public-private partnerships to support diversification and value addition in the minerals sector?
64. Do these public-private partnership arrangements provide safeguards to minimize risks to national interests in the event of a breach by either party?
65. Is there a special fund or programme that supports local supply chain development (e.g., microfinancing arrangements)?
66. What are the provisions for local content that require reporting on environmental, social, gender and human rights impacts?
67. What barriers limit the attainment of local content targets?

Value linkages

68. Are there policies to promote the production, processing and utilization of development and industrial minerals in the local, national and regional economies?
69. What policies exist for the utilization of strategic mineral feedstock in the domestic economy?
70. Are there institutional arrangements to promote policy coherence, in particular between trade, industry-science, technology and innovation and mineral policies?
71. How do procurement policies by minerals companies align with strategies to facilitate greater backward linkages of the sector into the broader domestic and regional economies?
72. What strategies are there to track the implementation of procurement policies to facilitate backward linkages?

Outcome 3	Increased level of investment flows into the minerals and multi-use infrastructure to support broad socioeconomic development
Desired Intervention:	Create a policy and regulatory environment that leads to increased investment in multi-use infrastructure and socioeconomic development

Assessment questions

Infrastructure investment

73. What are the investment promotion strategies in the mineral sector value chain that encourages investment in shared infrastructure?
74. Are there mechanisms to ensure that central Governments reinvest or cede a portion of revenue generated from mining activities to local authorities for shared infrastructure development?
75. What are the financing and partnership mechanisms in place to promote investment in shared infrastructure use?
76. Is there a policy that shifts ownership of mining-related infrastructure from the private sector to the Government after a period or on mine closure?
77. What national and regional policies or strategies are there for leveraging and facilitating cross-border and regional infrastructure investment, including development corridors?
78. What are the policies in place to encourage environmentally responsive infrastructure development?
79. Are there legal obligations for mining companies to invest in local community development infrastructure?

Diversification

80. Does the country have clear policies and institutions to promote mineral-led economic diversification? If so, how effective are these?
81. Are these policies and institutions gender-responsive?
82. Are there mechanisms for consultation and public awareness for selecting or prioritizing economic areas for diversification?
83. Are there capacity development initiatives to realize the targeted diversification agenda?
84. Is there integration of diversification goals into national development plans and goals?
85. How does the country's research and development deal with diversification and technology development agenda?

Economic empowerment

86. How do policies and laws provide for economic empowerment for citizen participation in the mining sector and other mining-related sectors?
87. Are there any mechanisms for equity participation that also includes labour, communities, women and young people?
88. How transparent and accountable are these mechanisms?
89. Are there policies that provide for local business development and empowerment?
90. What are the financial and investment mechanisms in place to support local economic empowerment in the mining sector?

Corporate social investment

91. Does the country have a clear corporate social investment policy and law?
92. Are there guidelines to align these projects to national development plans?
93. Are there mechanisms to monitor private sector compliance with corporate social investment laws and policies? If so, what is the procedure?
94. Are there mechanisms in place to ensure gender inclusivity in corporate social investment practices?
95. What types of mechanisms are in place to support and fund community priority projects?

^aFor example, tariff exemptions on the import of inputs, fiscal exemptions for the development of local industries, financial policies for small and medium-sized enterprises and research and development.

12.5 Pillar 5: Artisanal and small-scale mining

Artisanal and small-scale mining of a large variety of minerals in Africa is a key contributor to the economies of a number of countries, especially in terms of livelihoods for rural and often remote communities. Artisanal and small-scale miners, however, face challenges driven by their classification as either artisanal or small-scale, with the bulk of artisanal miners invariably caught in a poverty trap from which it is very difficult to escape. For those not caught in poverty traps, it may be a full-time livelihood activity, seasonal or it may provide a supplementary income. It can be a coping mechanism when other livelihoods fail or a preferential livelihood, which surpasses other opportunities. Activity intensity usually fluctuates with commodity prices (local or external), with high prices making artisanal and small-scale mining more rewarding. The activity is often associated with illegalities, social vices and practices inimical to the safety and health of the operators and to adjoining communities and the environment. These challenges prevent the subsector from reaching its full developmental potential, as presented in the Africa Mining Vision goal.

The transformation of the subsector into an engine for sustainable development, in particular in rural areas, is achievable if countries can meet the above challenges through a series of well-targeted interventions. Countries should recognize the need to embed artisanal and small-scale mining policy into a broad rural development strategy, taking into account the poverty cycle that limits the development of the artisanal and small-scale mining subsector in Africa. Artisanal and small-scale mining interventions should also target increasing the viability of all types of mining operations. Table 7 presents a set of guiding questions that will help to assess the viability and sustainability of the artisanal and small-scale mining subsector.

Table 7: Assessment questions – artisanal and small-scale mining

Outcome	Improved and sustainable entrepreneurship in an environmentally and socially responsible manner, leading to sustainable livelihoods, growth and development
Desired intervention	Improve the viability, progressivity and sustainability of the artisanal and small-scale mining subsector to enhance its contribution to growth and development through access to training, extension services, finance, marketing and cleaner, efficient technologies
Assessment questions	
Policy and legal frameworks for artisanal and small-scale mining	
<ol style="list-style-type: none"> 1. What is the country's definition of artisanal and small-scale mining? 2. Are there policy, legal and regulatory frameworks governing artisanal and small-scale mining activities? 3. If so, what are the objectives of the artisanal and small-scale mining policy in your country? 4. How does the artisanal and small-scale mining policy framework align with the broad national or local development agenda, including rural development plans? 5. Are there artisanal and small-scale mining operations outside the law? 6. What factors promote the existence of illegal operations? 7. Are there strategies to promote sustainable artisanal and small-scale mining operations? 8. Do the current policies, laws, regulations and programmes support and mainstream the interests of women, young people and other vulnerable groups into artisanal and small-scale mining operations? 9. What policies, laws and programmes are there to prevent child labour in the artisanal and small-scale mining subsector? 10. How do the country's policies and strategies promote development of the full value chain of development minerals in artisanal and small-scale mining? 11. Does the country have a data and knowledge base on artisanal and small-scale mining? 12. How does the Government consult and communicate with the artisanal and small-scale mining subsector on its policies and programmes? 	
Institutional framework and capacity	
<ol style="list-style-type: none"> 13. What are the gender-delineated institutional and administrative structures for promoting and supporting artisanal and small-scale mining? 14. How accessible and responsive are these structures? 15. What are the mechanisms for dealing with institutional and administrative challenges? 16. What are the technical interventions or programmes for building the capacity of artisanal and small-scale mining? 17. What support mechanisms are there to organize artisanal and small-scale mining operators into artisanal and small-scale mining associations and cooperatives? 18. Are there private sector or non-State initiatives to support artisanal and small-scale mining? 	

Financing and taxation of artisanal and small-scale mining

19. Are there dedicated financing mechanisms to support artisanal and small-scale mining?
20. Are there dedicated financing mechanisms to support women in artisanal and small-scale mining?
21. Are there clear opportunities on accessible financing mechanisms for women working in artisanal and small-scale mining?
22. Does the country have clear criteria and transparent processes for selecting beneficiaries of artisanal and small-scale mining operators for government or private sector support?
23. What are the structural issues that impede equal access to finance by men and women?
24. Are there policies or programmes that deal with the challenge of men and women having equal access to finance?
25. Is the policy and practice conducive for access to markets and fair prices?
26. What are the legal provisions relating to the taxation of artisanal and small-scale mining activities?
27. How does the fiscal regime support artisanal and small-scale mining (e.g., preferential treatment and tax exemption and cost of licensing)?
28. Are there any financial and taxation-related support mechanisms and linkages between artisanal and small-scale mining and large-scale operators?

Environmental issues in artisanal and small-scale mining

29. Are there policies and guidelines on environmental management in the artisanal and small-scale mining subsector?
30. Are there legal requirements and support mechanisms for the environmental licensing of artisanal and small-scale mining?
31. How does environmental licensing in artisanal and small-scale mining encompass gender issues?
32. What measures are there to manage and ensure compliance with environmental, health and safety regulations in areas in which artisanal and small-scale mining operates?
33. Are there interventions by Governments and other stakeholders to build the capacity of the artisanal and small-scale mining subsector in order for it to use environmentally sustainable methods?
34. What policies and measures are there to prevent the use of harmful and hazardous substances such as mercury in the artisanal and small-scale mining subsector?
35. Are there policies and mechanisms to promote alternative mineral processing methods without the use of harmful chemicals, such as mercury and cyanide, in artisanal and small-scale mining?
36. How are these regulations gender-responsive?
37. Are there legal mandates for artisanal and small-scale mining operators to develop and implement an environmental plan?
38. What are the mechanisms (laws, regulations and guidelines) for land reclamation in artisanal and small-scale mining?
39. Are there financial and technical support mechanisms for community land reclamation and rehabilitation efforts for post- artisanal and small-scale mining activities?
40. Is the “polluter pays” principle applied in the artisanal and small-scale mining subsector?

Occupational health and safety

41. Does the country have occupational, health and work safety regulations for artisanal and small-scale mining operations?
42. Does the country have the capacity to enforce artisanal and small-scale mining occupational, health and safety requirements?
43. How are these regulations gender-responsive?

44. Are there legal mandates for artisanal and small-scale mining operators to develop and implement a social, occupational and safety plan?
45. If the country has artisanal and small-scale gold mining, are there efforts towards the formulation or implementation of national action plans on the 2013 Minamata Convention on Mercury?
46. Does the country and artisanal and small-scale mining have emergency assistance and mine rescue plans?
47. Are there interventions to tackle capacity gaps on occupational, health and safety requirements?

Artisanal and small-scale mining and communities

48. Is there a clear strategy linking artisanal and small-scale mining to the sustainable development of surrounding communities?
49. Are there mechanisms to resolve conflicts between artisanal and small-scale mining operators and local communities or landowners?
50. Are there mechanisms for prior, informed consent for cases in which the artisanal and small-scale mining subsector operates in communities?

Artisanal and small-scale mining and sustainable livelihoods

51. Are there policies to ensure the development of sustainable livelihoods through artisanal and small-scale mining? What are the strategies to promote sustainable livelihoods beyond the mining life cycle?
52. Are there mechanisms for mainstreaming gender and young people into sustainable livelihood projects?
53. How does the artisanal and small-scale mining subsector increase domestic production of industrial and development products as import substitutes towards economic diversification and transformation?

Gaining access to information and technology

54. What kind of targeted policies are in place to make information available to artisanal and small-scale mining operators to improve efficiency in their operations?
55. Does the artisanal and small-scale mining framework provide access to geo-scientific information?
56. What are the mechanisms for artisanal and small-scale mining operators to meet the challenges associated with gaining access to geo-scientific information?
57. What collaboration exists between regulators, industry and academia to promote research and development to support efficient minerals and processing technologies for artisanal and small-scale mining?
58. What mechanisms exist to support technology development and transfer to the artisanal and small-scale mining subsector in the country and in the region?
59. To what extent does artisanal and small-scale mining equipment technology design take into account gender issues?
60. Are there mechanisms to support marketing arrangements for artisanal and small-scale mining?

^a More information on the Minamata Convention on Mercury is available at www.mercuryconvention.org/Portals/11/documents/conventionText/Minamata%20Convention%20on%20Mercury_e.pdf.

12.6 Pillar 6: Environmental and social issues

Africa is grappling with the environmental and social effects of mining, which reduces the benefits of minerals use when associated costs are considered. The poor management of negative environmental and social impacts of mining have fuelled criticism and, in some cases, hostile attitudes towards the extractive industry and Governments among the communities affected by mining and by a range of civil society organizations. Inclusive and consultative processes can reduce and mitigate these negative influences. Table 8 presents a set of guiding questions that will help to assess the quality of life for mining-affected communities and the country.

Table 8: Assessment questions – environmental and social issues

Outcome	Improved and sustainable quality of life for mining-affected communities and the country as a whole
Desired intervention	Strengthen environmental, social, economic and cultural protection policies, laws, systems and capacities of communities to engage
Assessments questions	
Strategic environmental impact assessments	
<ol style="list-style-type: none"> 1. Is there a regulatory framework and plan for a strategic environmental impact assessment before demarcating prospecting areas? 2. How does the strategic environmental impact assessment influence the decisions around demarcating areas for the various categories of mining? 3. Does the Government have the capacity to conduct robust strategic environmental impact assessments? 	
Environmental and social impact assessment	
<ol style="list-style-type: none"> 4. How are the policy, law and practices on environmental and social impact assessment defined in the mineral sector? 5. Is an environmental and social impact assessment an integral part of the prospecting and minerals licensing process, including refusal of the granting of licences? 6. What are the key legal requirements and practice for the conduct of an environmental and social impact assessment prior to minerals operations? 7. Are the laws and institutional approaches relating to environmental and social impact assessments harmonized and consistent? 8. What are the key issues that environmental and social impact assessments tackle (e.g., human rights and gender impacts)? 9. Are there policies and legislation that deals with the environmental and social impacts facing vulnerable communities? 10. Are there legal requirements for companies to draft environmental management plans before the commencement of mining? 11. How do the Government, communities and other stakeholders monitor compliance with environmental management plans? 12. Are there mechanisms to periodically monitor and verify adherence to or compliance with and the implementation of environmental and social impact assessments, and redress violations? 13. Do the affected communities have the capacity to engage continuously with environmental and social impact assessments, environmental management plans, environmental audits and compliance processes? 14. What mechanisms exist to build the capacity of affected communities to engage in environmental and social impact assessments? 15. What are the legal requirements for the public disclosure of environmental and social impact assessments? 16. In practice, are environmental and social impact assessments consistent with global standards for the mineral sector (e.g., the International Finance Corporation due diligence guidelines)? 17. Is there a database of sensitive and protected areas, such as ecological, biodiversity, cultural and forest reserves and archaeological sites? If yes, what does it contain? 18. Does the country have policies and laws that provide for the protection of these sites? 19. How does the country protect internationally recognized fragile ecosystems and sensitive and protected areas? 20. Are there specific laws and policies relating to the use of specific resources, such as water and land for mining? 21. What challenges do the Government and mining companies face in implementing environmental and social impact assessments? 22. How do environmental and social impact assessments findings influence cooperation between large-scale, small-scale and artisanal miners? 	

Free, prior and informed consent

23. Is there a legal requirement for free, prior and informed consent and is this on a continuous basis?
24. Have companies integrated free, prior and informed consent into their policies and practices?
25. Are there mechanisms for monitoring and penalizing non-compliance with free, prior and informed consent?
26. Are there legal requirements that mandate companies to provide adequate information to communities to enable them to make informed decisions?
27. Are mining-affected communities aware of free, prior and informed consent and do they demand it from Governments and mining companies?
28. What mechanisms are in place to ensure the representation of communities in mining negotiations on an inclusive basis?

Environmental liability and remedies

29. How is liability for environmental damage and pollution defined in the law?
30. Does the law apply the polluter pays principle?
31. What other remedies does the law provide beyond the polluter pays principle (e.g., precautionary principle, integrated management for land use and post-mining closure)?
32. Are there mechanisms and systems to implement the principle(s) above?
33. How does the law apply the exclusion of liability principle?
34. Does the law provide for adequate recourse mechanisms for mining-affected communities in the minerals sector?
35. Are there effective interventions or initiatives to strengthen the capacity of communities to use these mechanisms?
36. How does the law provide for the enforcement of responsible mine waste management?

Compensation for cultural, social and environmental damage and pollution

37. Are there standards that allow for an objective assessment of environmental damage?
38. Are there mechanisms to assess whether levies, fines, penalties and post-closure bonds for environmental pollution are proportionate to the severity of the damage or offence?
39. Does the law provide for adequate compensation to serve as a deterrent to causing environmental damage and pollution?
40. How does the law provide for the reparation and compensation of affected persons and communities against environmental damage or pollution and other human rights violations?
41. Does the law provide for the compensation of mining-affected communities or persons against health-related complications?
42. Does the law provide for the protection of cultural and heritage practices?
43. Does the law provide compensation for cultural and heritage sites?
44. How does the law provide for mining companies and Governments to develop and implement risk and disaster management plans?
45. How does the Government implement and enforce risk and disaster management plans? What are the challenges?
46. Are there measures for a transborder response to environmental damage and pollution?
47. Does the law require due diligence by the Government as part of the licensing process to identify companies with environmental pollution records?

Resettlement and compensation for the compulsory acquisition of community and individual property

48. What are the legal provisions and practices on compensation for and resettlement of communities and individuals displaced by mining operations?
49. What are the legal provisions and practices on negotiations between companies and affected communities before resettlement and compensation?
50. Does the law and practice provide for the participation of affected communities in the formulation of the resettlement action plans?
51. How do the law and practices take into account human rights, women's rights and young people-specific issues in relation to resettlement and compensation?
52. Does the country have effective institutions and the capacity to manage the process for determining compensation, restoration and improvement in the livelihoods of communities and persons displaced by mining?
53. Does the country have mechanisms to deal with community grievances and disputes in relation to compensation and resettlement?
54. Are resettlement plans in line with international standards?
55. How are the monitoring, evaluation and auditing of resettlement plans conducted?
56. Is there a provision for community awareness-raising around the legal provisions for resettlement and compensation and the dispute resolution mechanism?
57. Are specific laws on displacement of communities, families and individuals accessible to the public?
58. Are there policies and laws on public disclosure of compensation and resettlement by companies in order to enhance transparency and accountability?
59. Does the country recognize and implement regional or global instruments on human rights in the mineral sector (e.g., the African Charter on Human and Peoples' Rights, the Guiding Principles on Business and Human Rights and the International Finance Corporation due diligence guidelines)?

Labour rights

60. How does the law provide for labour rights in the mineral sector? Does the law align with the International Labour Organization conventions?
61. Does the law provide for the right to unionize and collective bargaining?
62. Does the law provide for non-discrimination in the workplace?
63. How does the law protect children from child labour in the mining sector?
64. How does the law prescribe for equal pay for equal work done by women and men and between races and ethnicity?
65. Does the law prohibit sexual harassment and exploitation?
66. How does the law provide for equal opportunity for employment at the managerial and decision-making levels?
67. What mechanism or systems exist to monitor compliance with all the above issues? How effective are they?

Occupational health, safety and environment

68. Is there an occupational health, safety and environment policy and law?
69. Are companies required to make their occupational health, safety and environment plans publicly available?
70. What kind of capacity does the Government have to monitor and enforce occupational health, safety and environment plans?
71. Does the law provide for compensation of affected employees or persons against health-related complications?

72. Is the occupational health, safety and environment policy in line with the international standards and best practices?
73. Does the law provide for routine employee medical reviews, treatment and compensation?

Mine reclamation and closure

74. What are the policy and legal requirements for mine reclamation and mine closure?
75. Does the law provide for consultation with affected persons and communities on mine reclamation and closure?
76. Does the process on mine reclamation require posting of reclamation guarantees?
77. What are the guidelines for the management of the reclamation and mine closure guarantee?
78. What form does the reclamation and mine closure guarantee take (e.g., bonds or funds)?
79. What institution is responsible for managing reclamation guarantees or mine closure guarantees?
80. Does the Government have the capacity to monitor both reclamation and mine closure activities?

13. Proposed implementation structure

The implementation of the African Minerals Governance Framework is based on an approach that reflects the breadth and scope of the Africa Mining Vision and the existence of multilevel actors (at the national, regional and continental levels) with various roles to play in the full realization of the Vision. This approach requires the establishment of multi-stakeholder structures (see the box below) to steer the assessments and serve as the foundation for the validation and implementation of the country assessment reports. The Framework adopts an inclusive approach for its implementation by ensuring a balance between State and non-State actors ranging from Governments to the private sector, civil society, the mining-affected community, women, young people and persons with disability, the artisanal and small-scale mining community representatives, religious leaders, academia, trade unions and think tanks.

Box: Multi-stakeholder structures

National

Lead agency

Ministry responsible for minerals (or relevant ministry) to lead interministerial engagement on the Africa Mining Vision and the African Minerals Governance Framework to build consensus and buy-in at the political level

Permanent secretariat housed in the relevant ministry or agency

- Administration and coordination role (staffed through secondment or full-time);
- Coordinate logistics budgets and meetings;
- Enhance interdepartmental or inter-agency collaboration and partnerships;
- Monitor the implementation of the recommendations emerging from the Framework assessment;
- Coordinate reporting;
- Data management and archiving;
- Hiring of independent, credible competent experts through a transparent and accountable process in consultation with the multi-stakeholder forum.

National multi-stakeholder forum, chaired through rotation

Composition

- Relevant government departments and agencies, parliament, representatives of the private sector, labour unions, the community and civil society, and women's and young people's groups.

Responsibilities

- Develop terms of reference for decision-making and internal rules of the multi-stakeholder forum;
- Drive and champion the assessment of the implementation of the Africa Mining Vision and the Country Mining Vision using the Framework;
- Develop an action plan and implementation plan, including role allocation and responsibilities for the assessment;
- Make decisions on processes, data collection and monitoring process/tools/approach, among others;
- Play an oversight role and approve the hiring of independent, credible competent experts through a transparent and accountable process by the secretariat;
- Coordinate the assessment process and implementation of the Framework;
- Identify capacity needs and make recommendations;
- Review and validate assessment reports and recommend or propose policy action;
- Communicate and disseminate the assessment reports and public disclosure;
- Engage with various stakeholders such as Governments (national and provincial), civil society organizations, the private sector and communities on the assessment report on a regular basis.

Subnational multi-stakeholder forum (where appropriate, in line with national context)

Composition

Relevant government departments and agencies, parliament, representatives of the private sector, labour unions, communities and civil society, and women's and young people's groups.

Responsibilities

- Feed in geographic nuances and perspectives to the national structure, in line with the principles of inclusiveness and participation, and make sure that the feedback loop is closed;
- Support capacity-building and supportive mechanisms to empower all groups to engage in the process;
- Support data collection Support the organization in the dissemination of the findings.

Regional

Ad hoc regional economic community multi-stakeholder forum

Composition

- Ministries responsible for minerals, regional chambers of mines, regional chapters of women in mining, representatives of regional civil society organizations and labour unions, and community representatives nominated by the country.

Responsibility

- Share experiences through an assessment of country reports and progress;
- Receive and review periodic assessment reports from the country multi-stakeholder forum;
- Coordinate the ministerial meetings that receive and review assessment reports from the country multi-stakeholder forum;
- Produce peer learning tools and reports;
- Recommend actions for regional harmonization (e.g., regional integration, investment, infrastructure and information);
- Recommend the alignment of regional minerals protocols and country minerals policy and regulations with the Africa Mining Vision;
- Encourage technical support from regional economic communities (e.g., through peer learning).

Continental**Council of eminent persons****Composition**

- Retired Presidents and reputable academics, leading entrepreneurs and accomplished individuals;
- Experts with knowledge and experience of the minerals sector.

Responsibility

- Support country visits to engage with Governments and representatives of civil society, the private sector and labour and other stakeholders;
- Engage with regional economic communities;
- Advise and encourage countries (government and multi-stakeholder forums) to implement the recommendations and resolutions of the assessment report.

African Union Specialized Technical Committee on Trade and Industry and Minerals**Composition:**

Ministers of industry, mining and trade.

Responsibility

- Review the regional economic community peer learning reports;
- Receive reports from eminent persons;
- Propose major policy directions, in line with Agenda 2063 and the Africa Mining Vision;
- Prepare Heads of State and Government reports.

14. Role of the African Minerals Development Centre

The role of the Centre is to:

- Continue with the process at the continental, regional and country levels;
- Provide technical support and guidance on the implementation of the Africa Mining Vision and the African Minerals Governance Framework, in partnership with key continental, regional and national policy actors;
- Manage the Framework assessment process and oversee the country-scoring mechanism;
- Ensure monitoring and follow-up with national and subregional policymakers on the implementation of the findings of country assessment reports;
- Communicate and share progress in the implementation of the Vision with all stakeholders;

- (f) Maintain and avail a database of information generated from the Framework processes to countries, regional economic communities and other stakeholders;
- (g) Promote the Vision and the Framework;
- (h) Deploy efforts to place the Framework as the most preferred continental minerals governance framework.

15. Sustainability

The following list presents the various innovative ways of financing the implementation of the African Minerals Governance Framework:

- (a) Allocate resources from the national budget to the Framework;
- (b) Fund the Framework from the national Mineral Resource Fund/licence fee;
- (c) Technical support costs of the Framework should be factored into the African Union Commission operating budgets;
- (d) Allocate funds through African private philanthropy;
- (e) Tap into new and current funding schemes designed for the 2030 Agenda for Sustainable Development;
- (f) Develop a trust fund that will be managed by the African Minerals Development Centre into which multilateral, bilateral, international organizations and agencies and Governments can deposit funds;
- (g) The funds should come from public funds with an annual budget line for the lead agency, and the budget should not be varied;
- (h) At the regional level, regional economic communities, the African Union and the African Minerals Development Centre should factor funding for the Framework into their budgets.

16. Institutional sustainability

To achieve institutional sustainability, the following items should be considered:

- (a) Integrate the African Minerals Governance Framework into existing institutional processes at the country, regional and continental levels (e.g., African Minerals Development Centre and regional economic communities);
- (b) Integrate, when possible, the adoption of the Framework into law to ensure monitoring by parliament;
- (c) Integrate the operationalization of the Framework into the development of the Country Mining Vision;
- (d) Secure a commitment from government departments responsible for minerals and mineral development at the national level and regional economic communities, which is key in providing logistical, administrative and budgetary support;
- (e) Demonstrate sustainability by the achievement of results.

17. Monitoring and evaluation

Monitoring and evaluation is an important tool used as part of the process. Monitoring will show any progress made towards the realization of the Africa Mining Vision, and evaluation will reveal the effectiveness of the African Minerals Governance Framework. The Framework will use this tool.