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**IMPLEMENTATION PLAN FOR THE HARMONIZATION OF MINING
POLICIES, STANDARDS, AND LEGISLATIVE AND REGULATORY
FRAMEWORKS IN SOUTHERN AFRICA**

April 2008



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Abbreviations and Acronyms

ASM	Artisanal and small-scale mining
AU	African Union
CBO	Community -based organization
CIF	Competitive investment framework
EM	Environmental management
ESIPP	EU-SADC Investment Promotion Programme
EU	European Union
FDI	Foreign direct investment
GDP	Gross domestic product
GSD	Geological Survey Department
HIP	Harmonization Implementation Plan
HRD	Human resources development
ICP	International cooperating partners
MDGs	Millennium Development Goals
MER	Monitoring, evaluation and reporting
MIASA	Mining Industry Association of Southern Africa
MS	Member States
MSCU	Mining Sector Coordinating Unit
NEPAD	New Partnership for Africa's Development
NGO	Non-governmental organization
NMP	National Mining Policy
OAU	Organization of African Unity
R&D	Research and development
RISDP	Regional Indicative Strategic Development Plan
SADC	Southern African Development Community
SADCC	Southern African Development Coordination Conference
SHE	Safety, Health and Environment
SIPO	Strategic Indicative Plan for the Organ on Politics, Defense and Security Cooperation
TIFI	Trade, Industry, Finance and Investment Directorate
UNECA	United Nations Economic Commission for Africa
UNECA-SA	United Nations Economic Commission for Africa, Southern Africa Office
UNIDO	United Nations Industrial Development Organization
US\$	United States dollar

Foreword

In 2004, the United Nations Economic Commission for Africa, Southern Africa Office (UNECA-SA), in partnership with the Southern African Development Community (SADC), developed a framework for harmonizing mining policies, standards, and legislative and regulatory frameworks in Southern Africa. This was done as part of our mutual efforts to broaden regional integration at the sectoral level in the SADC region.

The Harmonization Framework generated much interest among various constituencies in the SADC member States and led to calls, under the leadership of the SADC Mining Ministers, for an implementation plan to translate the Framework into tangible results. This report is therefore an extension of that SADC-UNECA collaborative work.

Southern Africa's development is inextricably linked to its vibrant minerals sector and its future destiny will be closely determined by how well it exploits its natural capital – its mineral resources – to diversify its economic base. It is for this reason that we must seek to harness all available regional resources so that the mining sector can fulfil its vital role in the development of Southern Africa.

This report comes at an exciting time as UNECA celebrates fifty years of an enduring partnership with the African Union (AU) and the Regional Economic Communities. The report heralds a new approach in the SADC-UNECA work relationship – a multi-year, multi-partner programme approach in line with the Windhoek Declaration on a New SADC-ICP Partnership. The Declaration calls for a thematic programme in which multiple stakeholders, including international cooperating partners and the broader United Nations family, will pool resources to achieve greater complementarities and effectiveness at the national and regional levels. This is the only way that we can build up a full head of steam to revitalize the agenda for regional cooperation and integration.

The Implementation Plan for the Harmonization of Mining Policies aims specifically to achieve this. This is a development with which both UNECA and SADC are proud to be associated. We are confident that, if implemented, the Plan will lead to deeper economic integration in a vital sector of the SADC economy.

For this reason, we fully recommend this Implementation Plan for approval by the SADC Mining Ministers.

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Executive Summary

This report outlines the Implementation Plan for the Harmonization of Mining Policies, Standards, and Legislative and Regulatory Frameworks in the SADC subregion. The Plan has been developed in direct response to the call made by SADC Mining Ministers at their meeting held in Antananarivo, Madagascar, on 31 March 2006, mandating the SADC Secretariat to develop a multi-year, multi-partner programme to implement the Harmonization Framework, which they had approved at the same meeting.

It is a well-known fact that the Southern African subregion has an exceptional mineral endowment. As a direct consequence, mining is a major economic activity in the subregion. It is for this reason that the Heads of State and Government signed the SADC Mining Protocol, which took effect on 8 February 2000. The primary objective of the Protocol, which is also contained in the SADC Common Agenda, is to alleviate poverty and improve the standard and quality of life of the people of the subregion, based on judicious and sustainable exploitation of mineral resources. To that end, the Protocol identifies several areas for regional cooperation, including the harmonization of mining policies and related administrative and regulatory frameworks. Other areas relate to the establishment of uniform health, safety and environmental standards; sharing of human and technological capacities; promoting private-sector investment, and generally improving available economic information with a view to stimulating investment in the subregional mining sector.

In the context of this report, harmonization refers to the merging of national systems for managing and administering the mining sector in a manner that reduces differences in the operating environment between countries of the SADC region. The harmonization of policies in the SADC region is rooted in the SADC founding treaty which was signed in August 1992. The treaty calls for the harmonisation of macroeconomic and sectoral policies so as to avoid unproductive competition, and thereby unlock the collective potential of factors of production for the benefit of the individual countries as well as the subregion as a whole.

The benefits of regional cooperation and harmonization of policies are reasonably known and, over the years, a number of studies have explored strategies for regional cooperation, involving various aspects of the SADC minerals sector. However, an implementation plan has never been developed to harness the excellent recommendations contained in those studies. This report serves that purpose.

A multi-year, multi-partner Harmonization Implementation Plan is in line with the Windhoek Declaration, which aims to align the response of SADC to trends in the development cooperation arena with regard to harmonization, ownership and alignment. It is also in line with the United Nations' Development Cooperation Reform Agenda which seeks, among other things, to form partnerships with Regional Economic Communities, such as SADC, through multi-year programmes, as recommended by the 61st session of the United Nations General Assembly. At that session, the United Nations gave fresh directives to the subregional offices of UNECA to provide support to the RECs based on the multi-year programming approach.

Taking into account the foregoing, the Harmonization Implementation Plan envisages the participation of multiple stakeholders, including SADC member States and their institutions, the international cooperating partners (ICPs) and the United Nations family, under the coordination of the SADC Secretariat, within the framework of one mining programme. The Plan provides for

ownership of the Harmonization Programme by the SADC Secretariat, the member States and their organizations, while considering the United Nations family and the ICPs as its facilitators .

The Plan itself is based on the results -oriented programme logic model which links resources to results through identified outcomes . The outcomes are associated with achievement indicators. This approach is also used by the United Nations family and the ICPs and is intended to facilitate the integration of the Plan into the current SADC work programme.

The Harmonization Implementation Plan contains eight themes, or thematic areas, each representing a category of related activities. The themes and their objectives are as follows :

- a. **Geological and mining information systems:** to standardize geological data as well as increase the availability of geological information in order to stimulate investment in the SADC mining industry;
- b. **Value addition, innovation, research and development:** to promote downstream value creation through the assembly of information on tariffs and market opportunities, and develop a system of innovation aimed at increasing the competitiveness of SADC mineral value chains;
- c. **Artisanal and small-scale mining:** to upgrade the knowledge and skills of small-scale and artisanal miners, as well as provide information and services to address their traditional lack of access to such services;
- d. **Safety, health and environment:** to develop and implement a common set of health, safety and environmental standards across the SADC mining industry;
- e. **Human resources and institutional capacities:** to improve the quality and quantity of available skills, and standardize qualifications as a basis for the free movement of skills within the subregion;
- f. **Policy, regulations and administration:** to adopt similar objectives for national mining policies and align administration procedures in the mining sector;
- g. **Social issues and gender:** to encourage linkages between communities and mining developments, and uplift the role of women in mining; and
- h. **Investment promotion:** to institutionalize mining investment forums across the subregion, provide investment-related information and target infrastructure development in potential mining areas.

For each of the above themes, the Harmonization Implementation Plan identifies actions that need to be undertaken in order to bring about specific outcomes in the member States. An institutional framework to facilitate the implementation of the Plan has been suggested, together with a monitoring and evaluation process involving the SADC Secretariat and other stakeholders, including the United Nations and the ICPs.

For ease of reference, the Harmonization Implementation Plan is annexed to this report in a matrix format.

1. INTRODUCTION

1. The mining sector has always been the bedrock on which much of Southern Africa's economy is founded. The sector directly accounts for some 60 per cent of the subregion's foreign exchange earnings, contributes an average of 10 per cent to the subregional GDP and employs about 5 per cent of total wage earners. The significance of the sector is much higher if forward and backward linkages with other sectors in the subregion are included. The dominance of the sector is further reflected in the fact that the development of the major part of the economic and social infrastructure in Southern Africa has historically been underpinned by the economic rent from the industry. This situation is expected to continue in the medium term as Southern Africa strives to exploit its exceptional mineral endowment to not only grow, but also diversify its economic base.

2. There is little doubt that the minerals sector can significantly contribute to attainment of the SADC long-term goals of economic growth, poverty alleviation and an enhanced quality of life for its community. This optimism is encouraged by the fact that, collectively, the regional mining industry has an excellent skill and technology base for further industrialization. The current resource boom, which is expected to last well into the medium term, adds to the attractiveness of the significant resource-based industrialization potential of the subregion. Individually, however, the majority of the SADC economies do not have the critical mass of factor conditions necessary to run a globally competitive mining economy. This is particularly true with regard to factors such as finance, technology and skills. This not only hobbles operations at existing mines, but also hampers the emergence of new ones and limits the creation of manufacturing value added across the industry.

3. These shortcomings can be substantially circumvented through regional economic integration arrangements. For this to occur an institutional framework must be in place to harness regional trans-border economic factor conditions; in other words, it must harmonize efforts in the sector across the entire subregion. Such a framework would seek to create a competitive mining sector across the SADC subregion and increase investment in the sector by removing unnecessary barriers. While it is cardinal for each country to secure the benefits that accrue from its mineral rent, it is in the context of regional interests that harmonization prevents unhealthy competition among the SADC member States, but more importantly, that it leads to unity of efforts to uplift the social and economic welfare of the people of the subregion. In addition, harmonization insulates the member States from foreign exploitation.

4. While a number of studies have been undertaken to deepen regional integration in the SADC mining sector, they have not been directed at harmonizing policy, and legislative and regulatory environments in the member States. The "Harmonization of Mining Policies, Standards, and Legislative and Regulatory Frameworks in Southern Africa," undertaken in 2004 by SADC, with the assistance of the United Nations Economic Commission for Africa, Southern Africa Office (UNECA-SA), is the only one that addresses that issue. The study developed a broad Harmonisation Framework as part of SADC efforts to implement the Mining Protocol. SADC Mining Ministers, meeting in Antananarivo, Madagascar, on 31 March 2006 approved the Harmonisation Framework, which was further endorsed by the Ministers of Finance in July 2006. The Mining Ministers gave the mandate to the secretariat, through the Trade, Industry, Finance and Investment Directorate (TIFI), to develop a comprehensive multi-year, multi-partner programme for implementing the Harmonisation Framework.

5. This report was prepared in response to the Mining Ministers' directive to develop a detailed Harmonization Implementation Plan (HIP) to achieve the objectives and benefits of mining sector harmonization. The report is structured as follows:

- Chapter 2 provides general background information on harmonization and the benefits thereof, including in the SADC context, and gives an update on the efforts made to date;
- Chapter 3 discusses the objectives and methodology for developing the Implementation Plan;
- Chapter 4 describes the key issues that were taken into account in developing the Implementation Plan, in particular the stakeholders, who should be considered as the owners of the Plan. This chapter also describes the results-oriented programme logic model on which the Plan is based, and the rationale for using this model.
- Chapter 5 describes the thematic areas and action plans for implementing the Harmonization Programme. The themes and actions are divided into two priority areas as determined by the stakeholders at the meeting of experts held in October 2007 to review the draft plan. This chapter should be read in conjunction with the Implementation Plan set out in matrix format in annex 1.
- Chapters 6 to 8 contain the recommendation for an institutional framework to implement the programme, as well as present the success factors and a monitoring, evaluation and reporting procedure.

2. POLICY HARMONIZATION AND THE SADC MINING SECTOR

2.1 What is Harmonization ?

6. Harmonization is part of the economic integration theory which views the broad path of integration as passing through a series of progressively deeper stages. Preferential and free-trade policy areas concern themselves with the reduction and abolition of tariff and non-tariff barriers, while customs unions seek to ring-fence the integrating countries by means of a common external tariff, as a way of promoting intra-regional mobility of goods, services and factors of production. An economic union, on the other hand, is achieved through a much greater degree of harmonization of national economic policies, while a supra-national union promotes common monetary, fiscal and social policies, which are implemented through a supra-national authority to which national Governments delegate their sovereignty over specific policies.

7. In this report, harmonisation refers to the merging of national systems for managing and administering the mining sector in a manner that reduces differences in the operating environment between countries of the SADC subregion. This entails the establishment of common arrangements, simplification of processes and sharing of experiences and facilities for the common good of the subregion, while maximizing the benefits accruing to each country from its mineral endowment. Harmonization entails both the development of a common set of standards - for example, engineering or environmental standards - and the alignment of national policies, laws and regulations into a common framework. The legislative and regulatory aspect includes licensing procedures, mineral and land rights, industry responsibilities to communities and fiscal regimes.

2.2 SADC Harmonization Context

8. Harmonization in the SADC region is rooted in the Treaty establishing the Southern African Development Community (SADC), which was signed in Windhoek, Namibia, in August 1992. The formation of SADC sought to eliminate the limitations of a loose project-led approach to economic cooperation that characterized its predecessor, the Southern African Development Coordinating Conference (SADCC). In SADC, the objective function of cooperation is to deepen economic integration on the basis of equity and mutual benefit.¹ This is underpinned by harmonization of macroeconomic policies, cross-border investment and trade, and the free movement of factors of production, goods and services across national borders. In order to facilitate those actions, the Treaty provides for the development of protocols defining the objectives and areas for cooperation and integration in each sector.

9. In respect of the mining sector, the member States articulated a Protocol on Mining which took effect on 8 February 2000. Its primary objective is to harmonize mining policies in the SADC subregion. The Protocol states the key areas (see box 1) for regional cooperation, which have been included in this Harmonization Implementation Plan. The member States' vision for the sector, as articulated in the Protocol, is that of a thriving mining sector that can contribute to economic development, poverty alleviation and an improved quality of life for the people in the subregion. It is also an objective of SADC Regional Indicative Strategic Development Plan (RISDP) to align policies, programmes and activities with a view to deepening regional integration. The harmonization of mining policies is also on the SADC Common Agenda, which seeks to achieve complementarities between national and regional strategies and programmes. The SADC Common Agenda further seeks to achieve sustainable use of mineral resources as part of the strategy to promote the economic and social growth of the subregion as a whole.

Box 1: Main areas for regional integration in the SADC Mining Protocol

- ▶ Harmonizing of national policies with the objective function of integration;
- ▶ Facilitating the development of human and technological capacities;
- ▶ Promoting private sector participation in the regional mining industry;
- ▶ Improving the availability of economic information to the private sector;
- ▶ Observing internationally accepted standards of health, safety and environmental protection; and
- ▶ Promoting responsible small-scale mining.

2.3 Benefits of Harmonization

10. While harmonization is a fundamental requirement for regional cooperation and the creation of a much bigger economic space capable of consolidating the region's position in the global economy, many other benefits are expected to accrue to the member States. More significantly, harmonization promotes the sharing of capacities for development through a liberal movement of economic factors. Thus capital, labour and technology can move more easily between countries. This is important for the SADC region, since capacities for human and knowledge development, as well as sources of capital are unevenly distributed across the subregion.

¹ For a complete list of SADC objectives, please refer to the SADC Treaty.

11. In terms of foreign direct investment (FDI) flows, investors tend to consider the prospectivity of an entire region, even though the mines they develop are located in individual countries. Investment promotion campaigns are therefore better undertaken at the regional level based on a regional sense of expectation. Conflicting national needs with regard to investment and management of the mining industry can be harmful to the individual countries seeking to exploit their mineral resources. Thus, harmonization not only promotes the sharing of best practices but also helps to ring-fence the region from global predators in the investment arena.

2.4 Achievements in the Mining Sector

12. With regard to operations, the SADC mandate in mineral resources development was previously executed through the SADC Mining Sector Coordinating Unit (SMSCU), which was created in 1981 and hosted by Zambia. SMSCU had an extensive programme of action aimed at consolidating cooperation across the regional mining sector. Arguably, the single most important achievement of SMSCU was the formulation and signing of the Mining Protocol. Since the Protocol came into effect, there have been spirited attempts to deepen cooperation in the mining sector across the SADC region.

13. To that end, a number of studies have been undertaken to address various aspects of regional integration in the SADC mining sector. Those of notable interest to this report include the following:

1. The landmark assessment² in 1996 by UNECA-SA, which mapped out the availability of mining skills in the SADC region in comparison to projected demand, as well as capacities for skills development in the sector. The conclusions of that study, which are still valid today, recommended expanding the inter-country provision for educational and training opportunities, aligning qualifications and accreditation systems, and eventually developing a regional qualifications framework to promote the free movement of skills.
2. Opportunities for value addition,³ which assessed the value chains of mineral products in the SADC region, and recommended harmonizing the determinants of value creation, more specifically, research, development and innovation, into a coherent, long-term regional strategy so as to maintain globally competitive and efficient value chains for SADC minerals.
3. An assessment⁴ of the small-scale mining sector in the SADC region, which recommended ways to bridge the numerous shortcomings with regard to skills, technology and finance that small operators tend to face.
4. An evaluation⁵ of mining financing, which explored available sources of finance to develop Africa's minerals sector, and concluded that regional economic

² Assessment of Skill Deficiencies in the Mining Industries of Eastern and Southern Africa, ECA-SA, Dec. 1996.

³ Opportunities for Value Addition to Minerals, Mining Sector Coordinating Unit, SADC, June 2000.

⁴ Framework for the Accelerated Development and Growth of Small-Scale Mining in the SADC Region, ECA-SA, June 2000.

⁵ New Sources of Capital for the Development of Africa's Mineral Resources: Tapping the Capital Markets, UNECA, March 1999.

communities, like SADC, could help individual countries develop stable and predictable regulatory frameworks to reduce investors' perceptions of country risk. This should be complemented by acceptable and transparent health and safety requirements, as well as the availability of highly skilled labour.

5. A strategic framework⁶ for implementing the SADC Mining Protocol, which proposed a number of strategic actions in key areas of integration, including policy and administration; small-scale mining; geology and information systems; safety, health and environment; and investment promotion.
6. An UNECA-SA study on the harmonization of mining policies, standards, and legislative and regulatory frameworks in Southern Africa, which identified a number of broad areas for inclusion in the Harmonization Framework, including the policy environment, investment regulations, mining administration systems, human resources and skills development, and small-scale mining.

14. While the above studies, and many others, contain excellent recommendations for advancing the agenda for regional integration in the SADC minerals sector, the majority of the recommendations have never been implemented, for a variety of reasons. Furthermore, the various recommendations have not been consolidated into a systematic implementation plan. This study reviews the recommendations contained in the various studies, and translates them into a multi-year, multi-partner implementation plan intended to kick-start the harmonization process.

3. OBJECTIVES AND METHODOLOGY FOR DEVELOPING THE HARMONIZATION IMPLEMENTATION PLAN

15. The UNECA-SA entitled "Harmonization of Mining Policies, Standards, and Legislative and Regulatory Frameworks in Southern Africa" was probably the most comprehensive attempt to develop a broad all-embracing harmonization framework for the SADC mining sector. The framework was based on a review of 12 SADC Member States. Each country was described in terms of its political economy, investment environment, fiscal regime, minerals development policies, minerals administration systems, artisanal and small-scale mining, gender, skills development and research and development policies and practices. The outcome of this review was compared to a competitive investment framework⁷ (CIF), an international yardstick for gauging investment climates. This was used to propose boundary conditions and define the preferred Harmonization Framework for the SADC region.

16. SADC Mining Ministers, meeting in Antananarivo, Madagascar, in March 2006, approved the Harmonization Framework, and the Ministers of Finance endorsed it in July 2006. The Mining Ministers gave the mandate to the Secretariat, through the Trade, Industry, Finance and Investment Directorate (TIFI), to develop a comprehensive multi-year, multi-partner programme for implementing the Harmonization Framework.

⁶ Towards Developing a Strategy for the SADC Mining Sector – the SADC Protocol on Mining Implementation Workshop, SADC, April 2001.

⁷ The CIF is broadly defined as an investment framework, which is stable, competitive and ensures that a region remains an attractive destination for local and international investors in the minerals industry.

3.1 Objectives

17. The main objective of that study was to develop a comprehensive joint UNECA-SADC multi-year, multi-partner thematic programme for implementing the SADC Mining Harmonization Framework. The Harmonization Implementation Plan is set out as an activity-based implementation matrix in line with the approved RISDP programme framework. The Plan will essentially serve as the business road map for ICP participation in mining programme activities, and for the participation of member States and their organizations in regional integration activities in the SADC mining sector.

3.2 Methodology

18. The main source documents used to develop the Plan were the SADC Mining Protocol and the Mining Harmonization Framework. These were reviewed along with SADC policy papers and various other reports, some of which have been outlined in Chapter 2 above. The reports contain many relevant recommendations for the harmonization agenda, and these have been taken on board in developing the HIP.

19. The recommendations identified in the above-mentioned review were classified into eight themes or thematic areas (see box 2), based on similarity of issues. Action plans were then developed for each thematic area together with key performance indicators and an implementation schedule.

20. The draft report and implementation plan were then presented to a stakeholder expert group for review. The review meeting was jointly organized by UNECA-SA and the SADC Secretariat, and attended by representatives of the private sector and senior officials from mining ministries in 11 SADC countries. The outcome of that meeting has been taken into account in finalizing this report.

Box 2: The eight themes in the Harmonization Implementation Plan

Theme 1: Geological and Mining Information Systems

Theme 2: Value Addition, Innovation, Research and Development

Theme 3: Artisanal and Small-Scale Mining

Theme 4: Safety, Health and Environment

Theme 5: Human Resources and Institutional Capacities

Theme 6: Policy, Regulations and Administration

Theme 7: Socio-Economic Issues and Gender

Theme 8: Investment Promotion

21. The Implementation Plan, developed on the basis of the recommendations contained in the various reports and lessons learned over the years, particularly through the SMSCU, was benchmarked against international best practices. Furthermore, endorsement by the major

stakeholders provided greater legitimacy to and asserted ownership over the Plan. That was a critical precondition for the Plan's successful implementation.

4. KEY CONSIDERATIONS FOR DEVELOPING THE IMPLEMENTATION PLAN

4.1 Partners in the Implementation Plan and their Roles

22. The SADC Framework and Strategy for Building the Community specifies the community-building process and stresses the need to widely consult stakeholders, not just individual citizens, but national institutions and other stakeholder organizations that, collectively, provide legitimacy, constituency and ownership for regional integration .

23. SADC reaffirmed its adherence to this consultative, multi-partner programme approach in the Windhoek Declaration of April 2006. The Declaration seeks to reposition SADC to better respond to global changes in the development cooperation architecture, including the Millennium Declaration, accepted as the framework for monitoring socio-economic development; the 2005 World Summit Outcome; the Monterrey Consensus and subsequent Rome and Paris Declarations. The Rome and Paris Declarations on the Harmonization of Donor Practices and Aid Effectiveness, respectively, stress the need for ownership of development aid, its alignment with national development priorities, as well as its harmonisation for greater effectiveness. The Windhoek Declaration seeks to achieve the wider goals contained in the SADC Common Agenda, as outlined in RISDP and the Strategic Indicative Plan for the Organ on Politics, Defence and Security Cooperation (SIPO), through programme support in which multiple partners, including ICPs, synergistically participate, and in this manner maximize resource use.

24. For its part, the United Nations has been undergoing intense reform in the last ten years or so. A key aspect of this reform has been a review of the role of the United Nations system in development cooperation. The United Nations Secretary-General, in his report to the 59th session of the General Assembly,⁸ called for the United Nations to take a number of actions to enhance the effectiveness of its development cooperation through the strengthening of coherence and the use of unified nationally owned frameworks that can exploit the capacities available within the system to translate internationally agreed development goals, including the Millennium Development Goals (MDGs), into national actions.

25. In line with global United Nations reforms, UNECA has recently undergone a major reorientation, which identifies regional integration and meeting Africa's special needs as the two major pillars of support to its member States. As a means to strengthening the regional integration agenda at the subregional level, the Secretary-General report to the 61st session of the General Assembly proposed the multi-year programme approach as the most suitable vehicle for building the capacities of regional economic communities (RECs) to enable them to swiftly move forward the agenda for regional integration.

26. The Harmonization Implementation Plan reflects these trends in development cooperation. It advocates a multi-stakeholder approach to secure ownership and ensure a successful implementation of the Plan. The stakeholders for implementing the Plan include SADC Governments, the private sector, Chambers of Mines, the university community, NGOs,

⁸ "Triennial comprehensive policy review of operational activities for development of the United Nations system: conclusions and recommendations," Report of the Secretary General (A/59/387), September 2004.

CBOs, ICPs and multilateral institutions. The stakeholders and their roles are briefly described below.

4.1.1 Governments

27. Governments play a leading role in the creation of national and regional policy environments in which mining activities thrive. Fundamentally, the roles of Governments include:

- Strategic planning, particularly with regard to policy promulgation, implementation and coordination;
- Administration and supervision of mining activities, especially in the context of control of resource depletion, and health and safety in relation to humans and the environment;
- Coordination and promotion of investment in the sector;
- Infrastructure support in the broader sense, including scientific and technical support, provision of utilities in mining areas, and mineral-related information;
- Facilitating the participation of all stakeholders, including the private sector, communities, NGOs and CBOs, in policy formulation and regional integration initiatives.

28. The roles defined suggest that the Harmonisation Implementation Plan cannot be the preserve of Governments alone if it is to be successful.

4.1.2 Private Sector

29. The private sector is a key stakeholder in the implementation of the Harmonisation Framework. The private sector provides risk capital for exploration and the opening up of new mines. It further provides technical and managerial skills and technology, in addition to marketing networks. The private sector has a business interest in education and training, infrastructure development, and research and development (R&D). Given a suitable environment, the private sector can participate in these initiatives, thus leveraging the contribution made by Governments. In some cases, the private sector can also form joint-venture initiatives with Government, the university community and multilateral organizations. The private sector is therefore critical to the execution of the Implementation Plan in a number of areas.

4.1.3 Chambers of Mines

30. Chambers of Mines are private sector-based associations, created primarily to represent industry interests. They normally constitute bargaining positions on behalf of industry to improve investment conditions and the competitiveness of the SADC mining sector. Chambers of Mines generally participate in activities such as:

- Formulating policy and regulations concerning various aspects of the industry;

- Supporting educational and training activities;
- Lobbying for the regional sector in international forums;
- Assisting in promoting sustainable industrial practices, especially with regard to health, safety and the environment.

31. The Chambers of Mines in the SADC region have formed an authoritative body called the Mining Industry Association of Southern Africa (MIASA) to better coordinate their efforts at the subregional level. MIASA, as well as the individual Chambers of Mines, are important partners in the Harmonization Implementation Plan, at both the regional and member State levels.

4.1.4 National Knowledge-Based Institutions

32. The numerous national knowledge-generating institutions in Southern Africa constitute important partners in the Harmonization Implementation Plan. They can be broken down into three broad categories: facilities for research, education and training, such as universities and technical colleges (polytechnics); dedicated technology-based R&D institutions; and centres for mineral policy studies.

33. Research and human resources development facilities are not only important for educational purposes, but they are also critical R&D and innovation sources for the industry. Education and training facilities are not well distributed in the SADC region and this constitutes a compelling reason for their joint use in the Harmonization Implementation Plan. Similarly, dedicated R&D facilities for process technology and product development are scarce, and centres of excellence dedicated to the study of mineral policy and strategy are also not widely available.

34. R&D and innovation, together with a robust partnership between knowledge-generation centres, industry and policymakers, is the basis for creating a globally competitive SADC minerals sector. Knowledge-generation centres constitute pillars in the Harmonization Implementation Plan.

4.1.5 Non-Governmental and Civil Society Organizations (NGOs and CSOs)

35. NGOs and CSOs occupy an important position in society, given their knowledge of community issues and concerns, which impact directly on society. They are also important avenues for delivery to communities. In general, NGOs and CSOs serve as an interface between Governments, donors, industry and communities to promote sustainable development practices. In this way, they help ensure that the benefits of development trickle down to communities in a more equitable manner. In the same vein, there are many other associations representing specific interest groups which lobby for their specific interest, such as women in the mining industry, labour unions, and environmental associations. These are all important stakeholders for ensuring that the harmonization agenda does not marginalize their constituencies, but rather incorporates their interests.

4.1.6 Multilateral and Bilateral Institutions

36. International Cooperating Partners (ICPs) have an important role to play in the Harmonization Implementation Plan. Indeed, they are currently critical partners in financing the SADC programme of action in a number of key areas, some of which are directly related to the

HIP, such as the EU-SADC Investment Promotion Programme (ESIPP), which already provides investment promotion support to the SADC minerals sector. Other areas of support, including environmental issues, social issues such as HIV/AIDS, and infrastructure are all part of the Harmonization Implementation Plan. The multi-partner approach advocated by the Plan opens it to ICP participation, based on their specific area of comparative advantage.

4.2 Main Attributes of the Implementation Plan

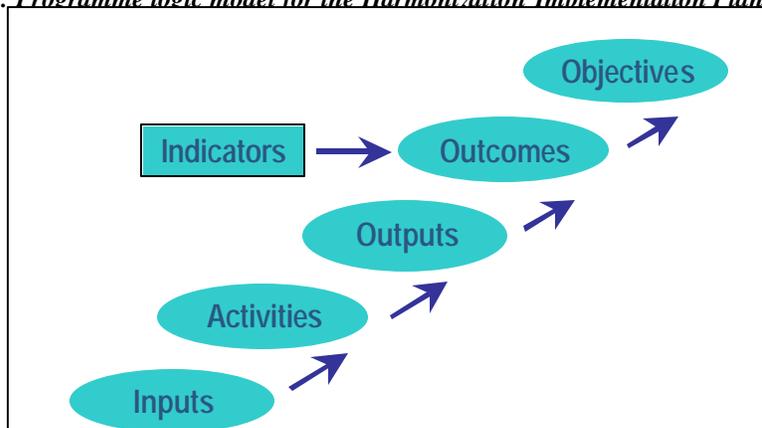
37. The Windhoek Declaration, like the Paris and Rome Declarations and in line with the reform of the United Nations, emphasizes the principles of ownership, aid effectiveness, harmonization and alignment. As such, the Harmonization Implementation Plan must be owned and driven by the SADC Secretariat and its stakeholders. SADC will exercise leadership by developing further work plans arising from the Harmonization Implementation Plan, and coordinating the participation of the stakeholders in the subregion, such as the ICPs, civil society, private sector, and the United Nations family.

38. Another key aspect of the Windhoek Declaration is that of alignment. In fact, the Declaration clearly states that, in seeking to meet international commitments such as the MDGs, programme support must be aligned to the principles enshrined in the SADC Common Agenda and SIPO, as expressed in RISDP. The Windhoek Declaration advocates “thematic coordination” as the entry point for programme support. The Implementation Plan has been conceived as the point of entry for all activities related to the harmonization of mining policies in the SADC region.

39. The Windhoek Declaration capitalizes on the principle of managing for results as part of the agenda for mutual accountability. This entails a result-oriented programme planning, evaluation and reporting framework that links programme implementation and resources to the desired results.

40. The SADC programme logic model, which is also used by the United Nations and many ICPs, is based on links between inputs, or resources, which are invested into activities (or actions) that produce outputs (or results) which, in time, lead to outcomes (or impacts) at the national level. Outcomes, or impacts, indicate the level of achievement of the objectives. The basic programme logic model is illustrated in figure 1 below. The Harmonization Implementation Plan presented in annex 1 has adopted this model, the elements of which are essentially similar to the SADC five-year RISDP operational plans. This is intended to facilitate the Plan’s integration into the SADC programming cycle.

Figure 1: Programme logic model for the Harmonization Implementation Plan



41. Based on this programme logic model, the Implementation Plan contains the following elements:

Objectives - a summary of what the Implementation Plan wishes to achieve under each theme. Each theme may have several objectives.

Outcomes - changes effected at the national level as a result of the implementation of the activities proposed in the Implementation Plan. Outcomes should be distinguished from outputs, which are the immediate results of the activities, and impacts, which are the long-term results of the programme activities. An objective can have several outcomes.

Indicators of achievement - measures that indicate the extent to which the outcomes have had effect. Indicators measure the level of achievement of the programme objectives, and can be used to monitor the execution of the Implementation Plan.

Strategic actions - key tasks or activities to be carried out to attain the targeted objective. An objective has more than one strategic action.

Participating organizations - the organizations involved in the execution of the Implementation Plan, including potential fund donors to finance the strategic actions. The Plan envisages that, based on their comparative advantage, some of the participating organizations will actually lead specific themes in the Harmonization Framework.

Timeframe - each task or activity has been assigned a timeframe based on three-month cycles. The duration of the task or activity would depend on the type and complexity of the activity. While it was difficult to predict a timeframe for all the activities, the schedule presented in the matrix provides for the completion of all measurable outcomes well before the target date for the launch of the Common Market in 2015.

Budget - estimates of the financial resources required to complete each strategic action. Despite the substantial body of information available, the budget allows for additional focused research on specific issues, e.g. the development of specific strategies and guidelines on key issues, where these are deemed insufficient to execute the Plan.

5. THEMATIC AREAS AND ACTIVITIES

42. This chapter describes the thematic areas and action/activity plans contained in the Harmonization Implementation Plan. As stated earlier, the Plan is based on various recommendations from a number of key reports on regional integration issues undertaken over the years. The recommendations have been grouped into themes based on similarity of issues. The Stakeholder Expert Group that met to review the draft Implementation Plan ranked the top four themes based on:

- Perception of feasibility and attractiveness in relation to meeting the member States' most immediate and pressing needs;
- Suitability of the theme as a major area for coordinating harmonization activities;
- The recommended activities and their potential to promote the harmonization of the mining sector in the SADC region;
- Envisaged inputs and outputs required to bring about harmonization outcomes, including monitoring the harmonization process using the suggested indicators.

43. Accordingly, the themes have been presented in the order of priority established by the Stakeholder Expert Group. This could be considered the order in which the member States should implement the Plan. It should be noted, however, that this is a preliminary prioritization that is not weighted. It therefore requires further adjustment at the implementation stage, depending on resource availability and other factors.

5.1 Priority 1 Themes

5.1.1 Policies, Regulations and Administration (Theme 6)

44. Participants in the Implementation Plan workshop agreed that this theme should be the starting point for the harmonization agenda in the SADC minerals sector. Part of the reason for this was the general perception that SADC mineral resources potential is under-utilized, and that the status of development in the subregion is incongruent with this potential. The high levels of poverty and the slow progress towards achieving the MDGs added to the observation that the mining sector, a key economic sector in the subregion, has not exploited its many excellent opportunities to significantly contribute to the economic growth required to achieve the objectives contained in the SADC Common Agenda.

45. A poor policy, regulatory and administrative environment can lead to sub-optimal development of mineral resources. On the other hand, a good environment is empowering and creates conditions for unlocking the inherent potential in mineral resources. Indeed, a good environment will attract risk capital, as it not only rewards investors, but also enables equitable returns to the communities, member States and the subregion at large.

46. The Harmonization Framework approved by the SADC Mining Ministers includes a Regional Mineral Policy template. The template calls on all SADC Member States to adopt a common set of principles in developing their National Mining Policies (NMPs), based on stakeholder dialogue and aimed at guaranteeing transparency and broader ownership. Other aspects of the template address the tradability of mineral rights and the need to integrate land use

into the policy framework. The template further addresses the importance of creating the right climate for business development, citizen participation in ownership and management, health and safety, environmental management and governance of the sector. Member States are urged, and should be given assistance where possible, to use the template as a first step towards harmonizing the policy, legislative and administrative environment in the SADC region.

47. From an administrative viewpoint, the creation of simplified and transparent one-stop mineral administration systems would reduce business transaction times and costs and boost investor confidence. A transparent one-stop administrative system, which takes into account the merits of each application for mineral development rights, and grants such rights in order to promote optimal mineral development, based on the “use it or lose it” principle, should be encouraged.

48. The Implementation Plan proposes the following actions towards harmonizing the policy, and the legislative and administrative environments.

Objective

49. To provide collective policy support to member States to ensure efficient management of the mineral wealth of SADC through improved policy and administrative systems, and regulatory frameworks.

Actions

1. Adopt similar objectives for NMPs and align supporting regulations:
 - Assist member States that do not have NMPs to develop one;
 - Develop an implementation plan;
 - Undertake fundamental research on the compatibility of legal systems, with recommendations: research, analyse, and address incompatibility of laws (English, Roman, Napoleonic);
 - Recommend a strategy for aligning SADC systems.
2. Work together to align provisions with the Harmonization Framework in the following areas:
 - Investment and fiscal regulations, as they relate to mining;
 - Management and administration of the sector.
3. Develop and implement a regional security framework for mineral production:
 - Study security-related problem areas for selected minerals at mine sites, covering treatment, processing, transportation, disposal and sale;
 - Develop and implement a strategic plan to solve inherent problems;
 - Implement strategic plan.

5.1.2 Geological and Mining Information Systems (Theme 1)

50. This theme was the second priority, no doubt driven by the notion that there would be no mining sector if there were no minerals to mine. Basic geological information enables both the public and private sectors to make informed decisions on mineral sector development: the more detailed and available the information, the lower the risk on investment in exploration and, ultimately, mine development. Basic geological information can normally be gathered directly by Government Geological Survey Departments (GSDs), occasionally with the support of

multilateral organizations. Geological data collected on a regular basis throughout SADC will significantly enhance the mineral prospectivity of the region, which will, in turn, attract additional greenfield exploration funds.

51. There is limited availability of, and access to, geological information in the SADC region. The challenge SADC faces is the inadequate capacity of most of the member States' Geological Survey Departments to collect, process, store and disseminate geological information that is compatible with investor requirements. This shortcoming is compounded by a lack of harmonized geological information systems among member States.

52. Currently, there is a boom in mineral commodity prices, driven mainly by demand from China and, to a lesser extent, India. Increased demand is projected to last for some time. With technological advances in geosciences, mineral deposits that were previously considered uneconomic are now potentially economically viable. These developments have renewed interest in the SADC resource base, which now requires substantial updating. The Implementation Plan proposes the following actions to address the weaknesses in geological and mining information systems.

Objective

53. To generate basic geological information that could be used to attract exploration and mining companies to undertake further work to redefine the mineral resource base of SADC and develop new mines.

Actions

1. Re-establish the regional Geological Survey Committee to address the challenges of geosciences data acquisition :
 - Evaluate previous programme of action;
 - Develop terms of reference and determine resource requirements for the Committee;
 - Develop a programme of action for the Subcommittee, e.g. projects such as producing a geochemical map of SADC;
 - Develop systems and store information in a standardized format.
2. Encourage Member States to undertake basic and detailed geological exploration:
 - Support Member States in strengthening their GSD capacities to carry out surveys by providing opportunities for scholarships, computer hardware and software, and the creation of databases;
 - Introduce an annual GSD programme to disseminate new information to industry.
3. Establish a GSD network for information sharing, including joint and bilateral programmes:
 - Integrate Regional Geological Information Systems;
 - Develop an information delivery framework (SADC website; network-based data banks, etc.) and exchange mechanisms.
4. Establish a SADC exploration fund to share risk and nurture local participation:
 - Investigate current efforts in the region and elsewhere;
 - Investigate partnerships and sources of funding;
 - Develop project documents for establishing the fund.

5.1.3 Human Resources and Institutional Capacities (Theme 5)

54. This theme constituted the third area of priority in the Implementation Plan. One of the key challenges of mineral development in the SADC region is meeting the skills need of the sector. In general, there is a chronic shortage of skilled manpower in various areas of the mining sector in the subregion. These range from strategic management skills in Government, particularly in geosciences and supervision of relevant legislation, to various categories of employees in the industry, and at various stages of the mining value chain.

55. Training facilities for geology, mining engineering, mineral processing engineering and other technical fields have been traditionally available in South Africa, Zambia and Zimbabwe. A number of other countries have partial training facilities mainly in geology, and, lately, there have been several other initiatives pursued by individual member States. The University of Namibia recently launched joint programmes with the University of Witwatersrand, in which students complete their studies in South Africa. The University of Dar-es-Salaam in Tanzania now offers full degree courses in mining engineering and mineral processing, in addition to geology, which has historically been offered. The University of Botswana recently introduced similar programmes, among those, mining engineering, in which the first three years of training will be spent in Botswana, and the final two years at the University of Missouri-Rolla in the United States. Malawi is also considering launching a programme in mineral engineering as an addition to their geology programme.

56. While these efforts indicate that Member States are committed to developing the skills required to meet their respective needs, they also point to the need for rationalization and cooperation in the use of educational and training institutions. They also indicate a need to harmonize training activities. The strategic aim of harmonization would be to promote a regional approach to skills development through standardization, sharing and utilization of existing training and education infrastructure. Industry, which has a business interest in the availability of skills in the subregion, is strongly urged to participate in skills development. Facilitating skills mobility across SADC through standardization of qualifications and relaxation of migration restrictions will go a long way in alleviating the above-mentioned problems.

57. The Harmonization Implementation Plan proposes the following actions to address weaknesses in human resources and institutional capacities in the SADC region:

Objective

58. To develop a competitive skills base to meet the subregion's requirements in the minerals sector.

Actions

1. Assess the human resources needs of the sector:
 - Investigate initiatives underway in some Member States, e.g. Namibia;
 - Develop an active database on skills: type, facilities, institutions and curricula;
 - Address the human resources development needs of the sector;
 - Update the 1996 UNECA study on mining-related skills in SADC;
 - Develop a regional skills focussing model.

2. Standardize mineral industry qualifications:
 - Establish a forum of institutions offering mineral-related education and training to share experiences;
 - Establish a regional qualifications framework; and
 - Workshop the framework for adoption and implementation.
3. Support education and training institutions, and other capacity-building activities:
 - Investigate options in sharing and utilizing existing infrastructure;
 - Establish a regional accreditation system;
 - Encourage industry participation in training through appropriate incentives;
 - Develop and implement capacity-building programmes for member States and the SADC secretariat.

5.1.4 Safety, Health and Environment (Theme 4)

59. The minerals sector has a poor image in the safety, health and environment (SHE) areas. This is partly due to substandard regulation and/or inadequate compliance with mining regulations. It cannot be emphasized enough that Member States need to ensure that employment and working conditions for miners are within internationally accepted health and safety standards, and that the adverse effects of mining on the environment are minimized as much as possible.

60. Globally, initiatives are being vigorously pursued to promote the principles of sustainable development in the mining industry. This has been fueled by mounting pressure from consumers, civil society (through NGOs), financial institutions and multilateral organizations like the World Bank. In the SADC region, there are variations in the way SHE issues are addressed. There is therefore a need for a common approach to address SHE issues at the regional level, which should include the adoption of international standards where possible.

61. The strategic aim of this theme is for Member States to introduce similar principles, legislation and monitoring mechanisms for SHE, in order to promote responsible and safe mining activities. As SHE issues are complex and affect other stakeholders outside the industry, harmonization efforts should be based on a stakeholder consultative approach.

62. The Implementation Plan proposes the following actions to address safety, health and environment issues:

Objective

63. To adopt a harmonized implementation programme for SHE policies in the SADC region.

Actions

1. Develop and adopt similar principles on integrated environmental management (EM) across the region:
 - Compile and analyse national environmental management standards;
 - Develop and workshop acceptable standards;
 - Implement agreed standards;
 - Establish guidelines for EM funds for SADC Member States;
 - Develop and workshop acceptable standards for EM funds; and

- Adopt appropriate EM fund mechanisms for SADC Member States.
2. Develop and adopt common and appropriate standards for safety and health:
 - Develop a Health and Safety Framework for the region;
 - Compile the various national standards;
 - Workshop the appropriateness of adopting international health and safety standards for mining;
 - Develop and adopt health and safety monitoring criteria for the SADC region.
 3. Collaborate with other sectors to ensure harmonization of SHE programmes.

5.2 Priority 2 Themes

64. The experts who met to review the Harmonization Implementation Plan emphasized that placing the following themes under Priority 2 did not in any way imply that they are not important to the harmonization agenda. Though the themes in this category do not command the same immediacy as Priority 1 themes, they are nonetheless critical to the implementation of the harmonization agenda. Priority 2 themes are as follows:

5.2.1 Investment Promotion (Theme 8)

65. The motivation for investment promotion is the under-exploitation of the subregion's mineral resource base due to inadequate investment inflows. Additional investment is required to increase the exploration rate for new deposits, as well as capital for the development of new mines and the modernization and expansion of existing operations. For enhanced and sustained investment flows into the SADC minerals sector, the international community must be made aware of the opportunities available in the subregion.

66. Mining investment forums serve, first of all, to raise interest among potential foreign investors through the presentation of well-documented opportunities and, secondly, they provide up-to-date information on the investment climate in the subregion. Investment forums were held across the region in 1994, 2000 and 2006; they brought together investors from across the globe to discuss possible business opportunities with Governments and private project promoters in a structured way.

67. Furthermore, the Internet is now the first point of access to basic information on a variety of topics. The mining sector needs to exploit this forum in its promotional strategy. Although the SADC mining website is fully operational, it needs to be revamped. Nonetheless, despite the growth of Internet-based promotional strategies, there will always be a need for high-quality, relevant and complete information in dedicated journals, magazines and newspapers. The magazine, "Mining in Southern Africa," was a very useful source of information to subregional stakeholders and external interested parties. Unfortunately, the bi-monthly publication has been discontinued.

68. Several documents have been published as a result of work and studies undertaken on the sector, and many can be found on the SADC library list. The mining library list needs to be improved and made into a permanent, regularly updated source of information. The SADC Secretariat should be a focal point for regional information in both soft and hard copies.

69. The Harmonization Implementation Plan envisages the following harmonization actions for investment promotion:

Objective 1

70. To develop a subregional investment promotion strategy aimed at standardizing and improving the availability of information to investors and other stakeholders .

Actions

1. Revitalize the use of the Internet with a dedicated website for the mining sector;
2. Create and maintain a repository of SADC data in both hard and soft copy formats.

Objective 2

71. To promote investment in the SADC minerals sector.

Actions

1. Institutionalize SADC mining investment forums to be held at regular intervals;
2. Participate in investment conferences outside the SADC region;
3. Revitalize the magazine, "Mining in Southern Africa;"
4. Target physical infrastructure development to encourage mineral development.

5.2.2 Value Addition, Innovation, Research and Development (Theme 2)

72. Value addition offers great opportunities for increasing employment levels in the sector, improving linkages to the rest of the SADC economy, enhancing skill levels and boosting overall growth in the subregional economy. To date, most minerals from the SADC region are exported either in raw form or in early-stage processed form. Even South Africa, the biggest economy in the subregion, exports about two thirds of its mineral output as commodities.

73. UNECA undertook a pilot study⁹ on Mineral Cluster Policy in Africa and looked at South Africa and Mozambique as case studies. Essentially, a cluster is a concentration of closely linked industries and is formed through the flow of information or products between companies that are functionally linked by complementary expertise. Using input and output analysis, the study estimated the direct, indirect and induced value addition created by the South Africa's mining industry, including an assessment of the forward and backward linkages to the national economy.

74. The study found that the "indirect" value added through upstream and downstream linkages with the rest of the economy was underdeveloped. The largest upstream linkages were in the transport sector, reflecting the export orientation of the large volumes of mining products, which must be transported to external markets. In terms of downstream linkages, the largest linkages were with petrochemical products derived from coal, iron and steel, and reflected in the export of rolled stainless steel products and coal-generated electricity. Inter-linkages with the secondary and tertiary sectors were insignificant compared to the electricity, petrochemicals, and iron and steel industries, which account for 72 per cent of downstream linkages.

⁹ UNECA, Mineral Cluster Policy Study in Africa – Pilot Studies of South Africa and Mozambique, ECA/SDD/05/08, December 2004.

75. The above findings are unfortunate in the light of a strong and persistent belief that the subregion's comparative advantage in mineral endowment represents the best opportunity for industrialization through resource-based industries, which supply raw materials and intermediate products to the rest of the SADC economy. The sector should also create spin-off opportunities for "side-stream" industries in services (e.g. in exploration, mining, processing, and refining), machinery and plant equipment supplies, and other consumables. Furthermore, the sector should encourage the migration of technologies (e.g. materials handling, atmospheric control, process control, pumping etc.) into other unrelated sectors, as has been done in industrialized countries.

76. In order for the SADC region to achieve such a level of industrialization, a number of bottlenecks that are hindering progress must be addressed, including the following:

- The issue of international tariff and non-tariff barriers from other competing regions and markets. These tend to multiply with increasing value addition and therefore limit trade in higher-value products with other regions, particularly the EU;
- The inadequate capacities for technological innovation, created by inadequate investment in research in infrastructure and personnel;
- Unavailability of information for niche markets and value chains to guide value-addition activities;
- The absence of a subregional innovation system that provides effective interaction between various stakeholders; and
- An inadequate institutional framework to drive the subregional value-addition agenda.

77. The Implementation Plan suggests the following actions for a subregional approach to value creation in the SADC mining industry:

Objective

78. To promote downstream value addition for SADC mineral products in order to improve the mining sector's contribution to the SADC economy.

Actions

1. Re-establish the Mineral Processing Subcommittee:
 - Evaluate the sub-sector's previous programme;
 - Review the SADC 2000 value-addition study;
 - Identify minerals that have the potential for value addition in the subregion, analyse their market and develop beneficiation strategies;
 - Workshop strategies with Member States for implementation.
2. Undertake further studies on value-addition opportunities for selected SADC mineral deposits with the potential to collaborate on beneficiation projects on a subregional scale;
3. Create and regularly update a database of tariff and non-tariff barriers for various stages of value-added products;

4. Create a dynamic database of market information to identify competitive and niche markets:
 - Develop a reference manual for producers recommending strategies for overcoming barriers;
 - Liaise with MIASA and other producer associations;
 - Ensure access to the database by producers;
 - Develop a long-term strategic export marketing penetration plan.
5. Promote technological innovation and develop a sector strategy to include R&D, training, marketing, finance, technology and management skills:
 - Collaborate in research, encourage skills and technology transfers within the subregion;
 - Set up a committee of heads of R&D institutions, including industry;
 - Facilitate staff and student exchanges;
 - Promote joint research programmes;
 - Develop a subregional system for competitive research funding;
 - Create a system of satellite laboratories in member States to link established institutions, which would provide logistical support.
6. Develop a regional innovation system determining the competitiveness of value chains, that provides for interaction between stakeholders:
 - Undertake a desk study of a potential innovation system with emphasis on the role of R&D and clusters in creating manufacturing value added;
 - Workshop a study with stakeholders;
 - Implement a subregional innovation system.
7. Develop capacity-building and supplier development programmes for the implementation of preferential procurement.

5.2.3 Artisanal and Small-Scale Mining (Theme 3)

79. Artisanal and small-scale mining (ASM) plays a relatively important role in the SADC subregion. Previous figures¹⁰ suggest that over 90 per cent of current mines in SADC are small-scale operations; that they produce 25 per cent of the subregion's mineral output, or 30 per cent at a conservative estimate if the informal sector is included; and that they provide for more than 200,000 full-time jobs, and a further 200,000 casual jobs.

80. Small and artisanal miners are typically rural-based with little or no education and no formal training in mining. They turn to mining as a means of sustaining themselves and keeping absolute poverty at bay. Small-scale miners often work on a seasonal basis and fall back on mining when other means of earning a livelihood fail. There is also a fair percentage of women involved in the sector who are often heads of single-parent families. Given this scenario, it is not hard to see that small-scale mining can, if properly nurtured, contribute to rural development and poverty alleviation. However, it faces a number of constraints across the entire subregion, including the following:

- Lack of appropriate technology: many small-scale miners use very basic technology in their mining and extraction processes, and this often leads to low and inefficient mineral recoveries;

¹⁰ Mines 2000 Conference, Lusaka, Zambia, October 2000.

- Lack of access to finance: most small-scale operators are unable to obtain financial backing from financial institutions due to the lack of collateral and a business plan;
- Lack of access to mineral rights : such access is often subject to stringent conditions;
- Lack of skills: very few small-scale operators have any formal training in mining. Apart from the technical requirements of the job, small-scale miners are often ignorant of current legislation regarding health and safety, the environment, mineral rights and labour.

81. While these problems are common across the subregion, different Governments address them differently. The common factor, however, is the lack of institutional support for small-scale operators. Although most Governments claim that they want to promote the sub-sector, evidence on the ground suggests that the impact of this support is limited.

82. The strategic aim is to create an environment in which ASM can thrive, by addressing the above-mentioned issues and various other challenges that the sub-sector faces. The challenges can be mitigated with appropriate legislation to support small-scale miners; the development of marketing structures; assistance to non-licensed miners to acquire mineral rights, technical and financial support and extension services to ASMs.

83. The Harmonization Implementation Plan suggests the following actions with regard to artisanal and small-scale mining:

Objective

84. To support the development of a commercially viable artisanal and small-scale mining sub-sector.

Actions

1. Develop a sub regional strategy by analysing various small-scale mining studies and reports undertaken in the SADC region:
 - Review previous studies and reports on ASM;
 - Develop a subregional strategy and implementation plan for ASM;
 - Organize a workshop for member States to adopt the strategy and plan .
2. Implement the subregional strategy for ASM:
 - Conduct training MS workshops for small-scale miners;
 - Compile a list of service providers for ASM s in the SADC region, e.g. in
 - mining technology;
 - beneficiation and marketing;
 - management and life skills.
 - Develop business-support mechanisms for the SADC ASM sector.

5.2.4 Socio-Economic Issues and Gender (Theme 7)

85. Social issues are a major concern in the subregion, owing to the inherent poverty, especially in rural areas where most mining activities take place. The launch of exploration and

mining activities in these areas raises hope for employment, although such activities may also impact negatively on local livelihoods. Social issues include community participation in mining activities, a high incidence of HIV/AIDS, gender inequality, lack of preferences with regard to local employment or procurement of inputs, and a lack of benefit-sharing with communities around the mining areas.

86. In the past, agreements between large multinational companies and Governments were not structured to provide for benefits to local communities. However, with the move towards sustainable development, especially after the 2002 Johannesburg World Summit on Sustainable Development, awareness of the need for agreements to include local community involvement and participation has increased in most countries. With the right policy and administrative structures, tangible benefits could accrue to the communities in general. To that end, mining ministries need to explore progressive ways of ensuring that benefits accrue to the communities in a sustainable manner.

87. The Implementation Plan suggests the following actions to address socio-economic and gender issues in the harmonization programme:

Objective

88. To ensure that mining activities contribute to the sustainable socio-economic development of communities.

Actions

- Coordinate and liaise with other units on social and gender issues that cross-cut the mining sector;
- Develop policies and guidelines for the mining industry to address socio-economic issues such as employment for local communities and procurement preferences for local business people and communities;
- Remove barriers to ensure the effective participation and contribution of women to the sector;
- Strengthen local chapters of the Women in Mining Forum;
- Resuscitate and formalize SADC Women in Mining, and chapters in member States;
- Strengthen information networks for women;
- Facilitate ICP support for women in the mining sector.

6. INSTITUTIONAL FRAMEWORK FOR IMPLEMENTATION

89. Responsibility for the mining sector in the SADC Secretariat is assumed by the Trade, Industry Finance and Investment Directorate (TIFI). TIFI has been given the mandate, through the RISDP, to implement the Protocol on Mining, and is the frontrunner of the regional harmonization programme. To execute this mandate, TIFI is expected to:

- Liaise with senior programme managers in TIFI to implement and monitor the tasks that straddle the Unit;
- Liaise with other directorates to coordinate cross-cutting tasks. Given the multi-dimensional nature of the harmonization programme, synergies will accrue from joint programmes of action with other directorates, e.g. in areas such as training,

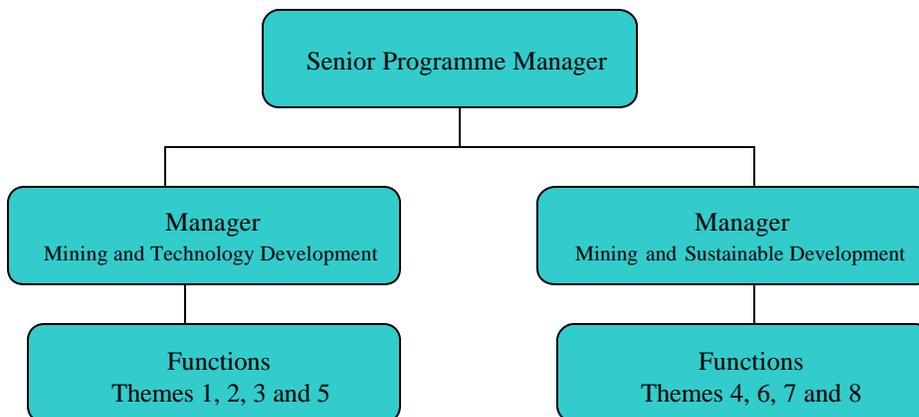
health and safety, HIV/AIDS, and environmental matters. As a result, internal collaborative procedures will have to be developed with other initiatives in the secretariat as activities grow;

- Liaise with member States or contact points in order to ensure their participation in, and commitment to, the Implementation Plan;
- Build and strengthen capacity at both the secretariat and member State levels to implement the HIP;
- Liaise with ICPs on various tasks, and assist in lobbying and mobilizing their participation;
- Liaise with civil society, local and international NGOs, the university community, professional organizations, associations, etc.;
- Periodically organize and facilitate meetings and workshops for various stakeholders.

90. As they stand, current TIFI capacities are inadequate to address the full range of harmonization activities proposed in the Harmonization Implementation Plan. The mining ministers had already acknowledged the limited capacities of the SADC secretariat when they gave it the mandate to develop the Plan. Consequently, the ministers urged the SADC Council of Ministers not only to prioritize the implementation of the Mining Protocol, but also to provide TIFI with increased resources to enable it to implement the harmonization programme.

91. The Implementation Plan proposes, as a matter of priority, that a senior programme manager be assigned the full-time task of coordinating the Harmonization Implementation Programme. This person should report directly to the Director of TIFI. From a functional viewpoint, the eight themes can be divided into two broad categories: Mining and Technology Development; and Mining and Sustainable Development. The Implementation Plan proposes that a manager be assigned to each of these functional areas. Figure 2 shows the recommended organizational chart for delivering the Plan and the themes assigned to each functional area.

Figure 2: Proposed structure for delivering the Harmonization Implementation Plan



92. Once the functional structure is established, it will be necessary to align future annual business plans with the Implementation Plan. While this core personnel is deemed sufficient for programme management, additional specialist support will have to be acquired from the

programme partners, including the United Nations family, ICPs, member State organizations and Governments, to ensure the full implementation of the harmonization programme. To that end, more detailed project documents may be required on an as-needed basis.

93. Building on the tradition of consensus and ownership, a forum of mining ministers should meet annually to review progress and provide political support and guidance. As a precursor to the ministerial meetings, a forum of technical officials and stakeholders could meet annually, as necessary. Technical officials would be drawn from the national directorates or ministries responsible for mining in the individual member States.

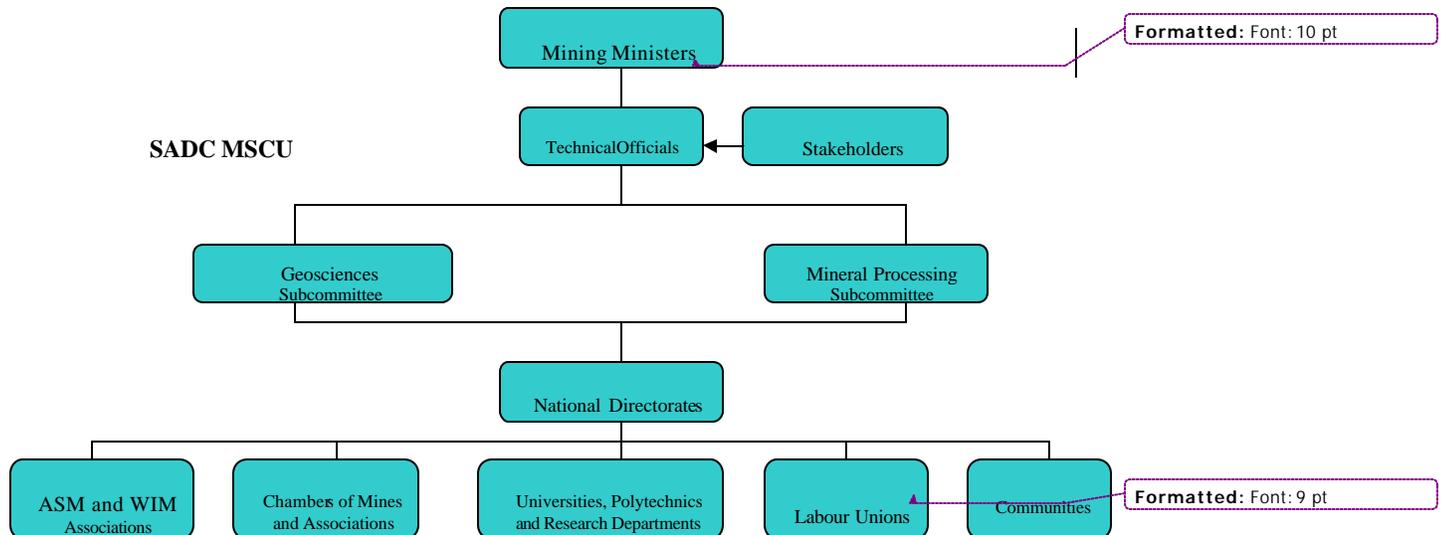
94. The SADC Mining Sector Coordinating Unit (MSCU) structure of subcommittees worked well in the past. Building on that success factor, the subcommittee concept could be re-introduced and expanded to include Government institutions and other stakeholders. The number and composition of the subcommittees will be determined by the exigencies of the Implementation Plan. At the present time, the creation of two subcommittees has been recommended, one on geosciences, and the other on mineral processing.

95. At the national level, stakeholder structures, such as national associations, ASMs, women in mining, professional organizations, mine workers and Chambers of Mines must be encouraged and/or established, as the case may be, to ensure representative participation in the harmonization programme. National forums will be encouraged, through national contact points, to assume ownership of the programme by participating in, and contributing to, the regional agenda.

96. At the regional level, the Mining Unit will be responsible for facilitating meetings between various national and regional stakeholders, as well as strengthening the capacities of networks and generally acting as the focal point for dialogue and information on harmonization activities and programmes. The Mining Unit will be supervised by a committee of technical officials reporting to a ministerial caucus, which should meet once a year. The committee of technical officials will be “advised” by an advisory committee, a Stakeholders Forum, comprising stakeholders from various constituencies in the member States, and possibly including the national contact points and selected representatives of other stakeholders, such as MIASA, the university community and ICPs. In order to complement stakeholder participation in the Harmonization Programme, the Mining Unit could also establish a dynamic database of regional consultants who can provide services to the programme.

97. Figure 3 below illustrates the inter-relationships for implementing the Harmonization Implementation Plan at the national, secretariat and regional levels.

Figure 3: Institutional framework for implementing the Plan



7. SUCCESS FACTORS

98. The development of this Implementation Plan was made possible by the all-inclusive approach adopted and the political will of all the stakeholders. That same approach will be adopted to ensure the successful implementation of the Harmonization Programme. Other factors that need to be concretized for the effective delivery of the Harmonization Implementation Plan include:

- Deepening stakeholder participation and ownership through sensitization workshops. UNECA-SA has developed a node on mining harmonization as part of its knowledge-management initiative. This could eventually be used as a vehicle enabling stakeholders to participate in the harmonization activities;
- Ensuring the existence of national committees to ensure multi-stakeholder participation;
- Ensuring the existence of effective technical policy leadership at the SADC secretariat and engagement of other directorates ; and
- Developing of projects that are feasible and can attract sustainable funding from ICPs.

8. MONITORING, EVALUATION AND REPORTING (MER)

99. In the context of this report, monitoring refers to the periodic measurement of progress made in implementing the Harmonization Programme. Monitoring therefore focuses on tracking programme implementation in relation to the targeted objectives and outcomes. Evaluation, on the other hand, refers to the measurement of effectiveness, impact and relevance of the programme in relation to its stated objectives and outcomes.

100. The SADC Secretariat, through TIFI, will need to establish monitoring, evaluation and reporting systems for the implementation of the Harmonization Programme. The underlying

principle of MER is that it should be results-oriented, based on the programme logic model shown in figure 1 above, adjusted to suit internal SADC requirements. It should be generally understood that results are achieved at several levels, in the form of immediate outputs or deliverables, achievement of expected outcomes, or the impact generated by the implementation of the Plan.

101. The Implementation Plan proposes indicators that can be used for monitoring and evaluation. The indicators may need to be adjusted at implementation stage so as to improve programme evaluation. The indicators relate directly to the objectives and outcomes to be measured, and require a methodology to collect the relevant data for measuring progress and evaluating programme performance.

102. Several methodologies can be used, including the extraction of data from existing data pools in the member States, surveys and interviews, and the establishment of focus groups. Many of the indicators proposed in this report will require the extraction of data from Government and SADC data pools, such as increased levels of investment in the mining sector, increase in the number of skilled workers, and discovery of more mineral deposits. It is therefore imperative that the SADC secretariat establish systems for collecting information and reports from its member States, which can be used to monitor the progress of the programme, based on the suggested indicators. Based on that information, annual evaluation reports of programme performance can then be compiled.

103. With regard to measuring programme effectiveness and impact, the mere collection of data is insufficient. Rather, periodic surveys to obtain stakeholder opinion, and probably the establishment of an evaluation focus group would be required. The impact and effectiveness of outcomes may need to be observed over a longer period of time. As such, it has been suggested that a stakeholder focus group should be formed to evaluate this aspect on a biennial basis during programme implementation.

104. It is important to note that like *ownership* of the Harmonization Programme and its Implementation Plan, monitoring and evaluation are not the responsibility of the SADC secretariat alone, but are rather exercises that require the full participation of the member States and their constituencies. It is recommended that the committee of technical officials together with the stakeholders forum, acting periodically in an advisory capacity, undertake the monitoring of the programme implementation. Annual and biennial reports should be submitted to the committee of technical officials, which should then present them to the SADC Mining Ministers for decision.

105. Monitoring, evaluation and reporting will require the support of the SADC secretariat. The Mining Unit, which comes under TIFI, could assume the role of the secretariat for those purposes. It would be responsible for gathering the information provided by the member States, organizing evaluation reports and meetings, and ensuring stakeholder participation in the monitoring and evaluation of the programme.

Annex 1 – HARMONIZATION IMPLEMENTATION PLAN