

The country mining vision: towards a new deal

Antonio M. A. Pedro¹

Received: 9 November 2015 / Accepted: 11 November 2015
© Springer-Verlag Berlin Heidelberg 2015

Abstract The Africa Mining Vision (AMV) adopted by the African Union Heads of State and Government in February 2009 represents a paradigm shift away from a resource development model anchored on extractivism toward one in which mineral resources are harnessed to accelerate broad-based development and build resilient, diversified, and competitive economies. The vision is premised on a broad understanding of value beyond mineral revenues. Those are to be managed in a transparent manner and invested in other forms of capital that can outlast the currency of mining. The AMV calls for strong economic and social linkages between the extractive sector and other sectors of the local economy as evidenced by the share of wealth that is retained locally and higher levels of value addition and local content. The successful implementation of the AMV requires strong and well-coordinated institutions, coherent and well-administered policies, and regulatory frameworks. Of vital importance, especially at country level,

is the need to build multi-stakeholder platforms for dialogue and decision making. This paper discusses the Country Mining Vision (CMV) as an instrument to facilitate the implementation of the AMV at country level.

Keywords Africa Mining Vision · Licence to operate · Institutions · Good governance

Africa's efforts to transform the mining sector away from its colonially created enclave features have so far met with very limited success. The Africa Mining Vision offers a framework for integrating the sector more coherently and firmly into the continent's economy and society.

This paper is part of the Austrian discourse on raw materials and development as presented in the annual Österreichische Entwicklungspolitik 2015—Rohstoffe und Entwicklung coordinated by the Österreichische Forschungsförderung für Internationale Entwicklung (ÖFSE), which deserves wider distribution. See also http://www.oefse.at/fileadmin/content/Downloads/Publikationen/Oepol/OEPOL2015_web.pdf.

The views and opinions expressed in this paper are those of the author and do not necessarily reflect the official policy or position of UNECA and/or any other institution or person.

✉ Antonio M. A. Pedro
apedro@uneca.org

¹ Sub-Regional Office for Eastern Africa (SRO-EA), United Nations Economic Commission for Africa (ECA), 4654, 8 KG 617 Street, Kigali, Rwanda

Introduction

Africa is known to host about 30 % of world reserves of extractive resources and produces over 60 different types of metals, ores and minerals (Dittrich et al. 2012). In some instances, mineral deposits and production are concentrated in a few countries, but more usually, they are spread throughout the continent. More than half the countries in Africa regard mining as an important economic activity and are producing minerals for an international market outside the continent. The paradox of Africa's natural resource wealth, on the one hand, and the pervasive poverty of its people, on the other, remains a deep and often-noted feature of its economic landscape (AU/UNECA 2011: 9). In most African countries, the sector is often an enclave. The commodity price boom of the 2000s and the increasing demand for natural resources from emerging countries such as China have intensified the debate on the

appropriate models for resource-driven development. It triggered calls for a new developmental approach in which mineral resources would play a catalytic role in promoting economic transformation and development, based on increased linkages with the local economy.

In this context, the African Union Heads of State and Government adopted the Africa Mining Vision (AMV), in February 2009, as the continental framework to promote resource-driven broad-based development and structural transformation. The International Study Group (ISG)¹ published a report in 2011 called *Minerals and Africa's Development*, saying that the enclave nature of mining ought not to be “an inevitable part of Africa's destiny, but rather as a particular phase of history...which can be overcome” (UNECA 2011: 3). It adds that there is a need for strong and capable institutions to promote sustainable development in the extractive industry (UNECA 2011: 129–139). Indeed,

There is need to strengthen institutional capacities (at government and other levels) for efficient long-term planning for sustainable development, prudent management and smart spending, saving and investment of mineral wealth. (Pedro 2004:18)

The AMV (AfDB, AUC, UNECA 2009) advocates for ‘transparent, equitable and optimal exploitation of mineral resources to underpin broad-based sustainable growth and socio-economic development’ that would create ‘a sustainable and well-governed mining sector that effectively garners and deploys rents and that is safe, healthy, gender and ethnically inclusive, environmentally friendly, socially responsible and appreciated by surrounding communities’. At the core of the vision is a notion that Africa's mineral endowments give the continent a comparative advantage to improve domestic productive capacities and build dynamic competitive advantages towards structural economic transformations and ‘knowledge-driven’ economies.

Accordingly, the judicious exploitation of Africa's mineral resources can generate substantial resources and rents to be invested in other forms of lasting capital that outlive the currency of mining. The development impact of the extractive sector in the local economy can be maximised through economic and social linkages. These opportunities can be realised if the mineral industry is unbundled to identify entry points for (i) downstream linkages into mineral beneficiation, value addition and manufacturing; (ii) increasing local upstream linkages into mining inputs in the form of capital goods, consumables and services; (iii) catalysing resource-based

infrastructure to open up opportunities in other sectors of the economy; (iv) spearheading sidestream linkages into skills, research and technology development; (v) facilitating lateral migration of mining technologies to other industries; (vi) promoting the development of sustainable livelihoods in mining communities and (vii) creating small- and medium-sized enterprises and a more balanced and diversified economy with greater multiplier effects and potential to create employment.

As an aspirational and transformational statement of goals and principles, the AMV represents a development blueprint that transcends the confines of the extractive sector. It entails a multi-/cross-sectorial approach to mineral development policy, especially the link with industrial and trade policy, infrastructure development, empowerment of local enterprises and skill formation. The AMV calls for structural shifts that require new institutional instruments to support its implementation, especially at country level. Accordingly, we state that the domestication of the AMV at national level needs to be anchored on country mining visions (CMVs).

Not surprisingly, we are frequently asked what is it that the existing set of mineral policies and strategies are not already achieving that justify the CMVs. This is an important and understandable question. I offer to discuss this from two perspectives, namely the coordination and alignment conundrum and the difficult balancing act of earning a license to operate.

The coordination and alignment conundrum: It is no longer about mining only

In many jurisdictions, we have seen massive investments being made in extractive industries in the form of geological mapping and mineral exploration, mine and plant development and construction, which were not accompanied by supporting investments in infrastructure and skill development. This lack of integrated thinking and planning can lead to serious bottlenecks in the normal functioning of mining industries.

Case studies from Mozambique, Guinea and South Africa below will help to illustrate that resource-driven development of a transformational nature requires complex inter-departmental coordination and multiple sectorial interventions that cannot be supported only through the existing mining-focused set of policies, laws, regulations and organisational settings.

Mozambique

Mozambique is home to one of the largest reserves of coal in the world. It is said that, in full capacity, the Moatize, Benga, Zambeze, Changara, Revuboe, Ncondezi and other coal deposits in Tete province, Northwest Mozambique, could potentially produce more than 100 million tons a year of coking (metallurgical) and thermal coal (USGS 2012). However,

¹ established by the UN Commission for Africa (UNECA) in order to explore how mineral regimes in Africa can contribute to a broad development of the continent

currently, any ambition to produce such an amount of coal cannot be realised because of transport capacity constraints in the existing stock of port and rail infrastructure. At best, the Sena railways in Central Mozambique that links the Moatize mines with the Beira port can handle 6 million tonnes of coal a year, far less than Tete's potential coal production capacity. To redress the problem, the Brazilian mining company Vale (recently joined by Mitsui from Japan) is investing about US\$6.4 billion dollars in its Moatize mine-plant-railway-port coal operations, of which US\$ 2 billion will be dedicated to expand the mine and plant production capacity to 22 million tonnes/year, and US\$4.4 billion dollars will be spent in the Nacala Logistics Corridor to upgrade a 900-km railway (US\$ 3.4 billion) from Moatize to the port of Nacala and to improve the Nacala port (US\$1.0 billion). The projected coal transport capacity of the railway will be 18 million tonnes of coal yearly.²

By 2020, Vale expects to employ 13,000 people, including contractors of which 89 % will be from Mozambique. The company is making a conscious effort to strengthen local enterprises and supply chain, but it is faced with serious capacity constraints and inability of local suppliers to meet the company's quality standards and specifications. In 2012, Vale spent US\$ 1.4 billion in the country of which 75 % with local businesses which supplied recruiting, cleaning, gardening and maintenance services. Expanding the share and quality of services provided by local suppliers will require entrepreneurship development programmes, the nature of which would involve collaboration with Ministries responsible for labour and vocational training, to name a few.

When the projected 6000 MW/year (total) Benga, Changara and Ncondezi thermal coal-fired power plants would be put on stream, added to the current 2000 MW/year produced in the emblematic Cahora Bassa Dam, the Tete province could become a major energy producer and exporter hub. Government plans include the development of an iron and steel and manufacturing cluster.

Guinea

Speaking at the Reuters Africa Investment Summit 2015, the Minister of Mines of Guinea, Mohamed Diare³ indicated that the "country's economic growth will be built around mining hubs", the first of which would most likely be the US\$20 billion dollar Rio Tinto, Chinalco and International Finance Corporation investment in the Simandou iron ore. The Simandou ore deposit is world class. It has estimated reserves of more than 1.8 billion tonnes of high-grade (65.5 % Fe) iron

ore (grading 65.5 % Fe) which can produce 100 million tonnes per annum for more than 40 years.⁴ A significant part of the US\$ 20 billion will be invested in a 650-km multi-purpose, multi-use and multi-user railway to the Focariah terminal and to build a new deep-water port at Moribaya. Indeed, many practitioners have said that the Simandou project is a more logistic and planning exercise than a mining one.

The railway to Focariah and Moribaya will form the core (The Southern Growth Corridor) of the trans-Guinean, a 1150-km integrated logistics corridor including rail and deep-sea port which will cross the entire country from southeast to northwest with a branch line from east to west.

Indeed, the heavy-haul route is not only meant to transport mineral resources to the coast. Instead, the anchor infrastructure with the associated 1000 km of new roads, deployment of fiber-optic and wireless systems will become a development corridor and provide the business fundamentals and economic rationale to catalyse integrated spatial growth and development in such other sectors as agriculture, forestry, aquaculture, industry and services. It is estimated that when fully operational, the Simandou project can potentially double Guinea's current GDP and directly and indirectly create 45000 jobs. This is transformational!

South Africa

The AMV calls for resource-based industrialisation anchored on mineral linkages, local content and cluster development programmes. This has been captured in many of the new generation mineral policy statements and development strategies of African member states. However as Morris et al. (2012) have clearly stated, visions and policy statements alone will not produce any significant structural change in Africa's extractive industry. They need to be backed by appropriate laws and regulations, business plans (with clear milestones, timelines and monitoring and evaluation systems) and, importantly, concerted and well-targeted action by a multitude of institutions and stakeholders. Where this was done successfully such as in Norway's oil industry or in South Africa's Richards Bay aluminium, titanium and heavy industry cluster, governments and the private sector had to come together in a hive of coordinated interventions and well-planned and sequenced investments.

At Richards Bay, the government, especially through the Industrial Development Corporation (IDC), played a crucial role in transforming a small fishing village into one of South Africa's most important industrial hubs (UNECA 2004b: 77). Based on its policy to establish industrial development nodes outside the Transvaal, South Africa's industrial and financial heartland (now Gauteng), the government created the

² http://www.sourcewatch.org/index.php/Mozambique_and_coal (last accessed: 16 March 2015)

³ <http://af.reuters.com/article/topNews/idAFKBN0M00XF20150304> (last accessed: 16 March 2015)

⁴ <http://www.riotinto.com/guinea/about-simandou> (last accessed: 16 April 2015)

necessary regulatory environment for business to flourish, including fiscal incentives, and established an adequate infrastructure base to attract investors to Richards Bay. The development of the Richards Bay Harbour and Coal Rail Line in the 1960s made the local coal industry more competitive. This and other ancillary investments in the form of infrastructure, logistics, power supply and skills allowed the development of other large-scale, capital intensive and resource-based industries such as Billiton Bayside and Hillside Aluminum Smelters, Indian Ocean Fertilizers, Mondi Kraft, Richards Bay Coal Terminal (one of the largest coal terminals in the world with an installed export capacity of 91 million/year) and Bell Equipment. In turn, the large-scale investments have stimulated the emergence of a cluster of small and medium-scale providers of goods and services to the main industries. The multiplier effects and the direct and indirect impacts of the initial investments have thus been significantly magnified (UNECA 2004b:77–90).

The examples discussed above show that for mineral linkages and clusters, resource-based industrialisation and spatial development initiatives to happen, as envisaged in the AMV, there is a need to align mineral policy with industrial and trade policies, plan and execute infrastructure development programmes timely and adequately, schedule skill development in consonance with identified needs, encourage innovation and establish effective inter-ministerial coordination, public-private partnerships and platforms for continued multi-stakeholder dialogue and collaboration. We argue that in larger mineral jurisdictions, this can be better achieved when an entire country is fully aligned and committed to a common vision and purpose, the CMV.

Earning the license: a difficult and delicate balancing act

In discussing good governance, (Dietsche 2014: 15)⁵ notes that ‘economic development is pre-conditioned by political and social institutions’. This is particularly true in the extractive sector. Invariably, the discovery of mineral resources generates excitement, apprehension and expectations of bounty in many stakeholders, including local communities. It can also rekindle old grievances which can lead to open conflict. These tensions cannot be regulated through an exclusive conversation between governments and investors nor through the customary contracts, policies and laws aimed at optimising the sharing of fiscal and economic benefits. Now, securing a lasting license to operate is getting more and more difficult and involves many trade-offs. It is becoming an imperative to bring on board and to the negotiation table and decision chain other voices and constituencies, including local communities,

civil society organisations (CSOs) organised labour and the media.

The World Economic Forum Responsible Mineral Development Initiative⁶ notes that divergence in expectations has been the key driver in conflict and tension between stakeholders in the extractive industry. Furthermore, they observe that in many mineral economies, often not all the right stakeholders are involved in the decision chain; stakeholders assume they know each other objectives but in reality do not have a good and common understanding of what creates value for them or each other, and value is assumed to be a ‘zero sum’ game of losers and winners. They posit that in such circumstances, it is critical to create a shared understanding of the benefits and costs of mining in its financial, social, environmental and other dimensions through collaborative and transparent processes for stakeholder engagement.

To facilitate these conversations, the World Economic Forum (WEF) developed the Mineral Value Management (MVM) framework, in which seven-value dimensions have been identified. These are the revenue streams (through tax, royalties, levies and fees), employment and skill acquisition, ensuring the respect for the environment and bio-diversity, securing social cohesion and cultural gains, facilitating the entry of local entrepreneurs in the mining supply chain, promoting local beneficiation and downstream industry and, last, optimising mining infrastructure for development. These value dimensions match the AMV key tenets, which are based on a broader definition of value, beyond financial and economic returns. This takes the triple bottom line conversation and assumptions about the drivers for success to another level.

As indicated by Dietsche (2014:141–147),⁷ the mere mention that good governance and strong institutions are a prerequisite to the delivery of positive mineral-driven development outcomes masks the complex nature of institutional change, the problematical character of the political economy of the extractive sector and the difficult challenges that policy makers and other stakeholders are faced with in managing the sector, throughout its decision chain. This extends from the mineral exploration and discovery stage to mine development and construction, operations, marketing, revenue collection, distribution and investment, into mine closure and decommissioning.

Of particular complexity is how to balance national and local interests, as the Nigerian government would certainly testify from its experiences in operationalising the 13 % derivation principle, a formulae designed to ensure a fair distribution of oil revenue between oil producing and non-producing regions in Nigeria (UNECA 2004a:23). Equally

⁵ http://discovery.dundee.ac.uk/portal/files/5473036/Dietsche_phd_2014.pdf (last accessed: 6 March 2015)

⁶ http://www3.weforum.org/docs/WEF_MM_Report_2011.pdf (last accessed: 13 April 2015)

⁷ http://discovery.dundee.ac.uk/portal/files/5473036/Dietsche_phd_2014.pdf (last accessed: 6 March 2015)

difficult, is how to rein in the rentier behaviour of power elites that compete to secure the mineral rents arising out of a major mineral discovery, plunder resources and squander mineral wealth. (Power 2012:5)⁸ states that this is particularly true ‘when mineral development occurs in a context of underdeveloped social, political and economic institutions’. He adds that in such circumstances ‘the level of social conflict increases and nearly irreparable damage is inflicted on the environment’. Deciding how and where to invest the accrued mineral revenue is not any easier. Caring for the needs of current and future generations can be an impossible task.

In line with the times, (Pedro 2004:10) argued that the development of mining should be ‘people-centred and not only profit motivated’. Translating this statement into a credible and actionable proposition is a challenging task. In the ISG report, we say,

There is need to redress the weight of existing power relations, especially for marginalised and vulnerable groups, to address deep-seated authoritarian elements of local cultures and some public institutions and reduce the resource constraints (human and material) of public institutions and those affected by or actively pursuing public participation. (UNECA 2011:3)

(Pedro 2004:10) notes that the extractive sector needs new platforms for improved public participation in decision making and benefits sharing which facilitate preferential employment of local labour, support local procurement and provision of goods and services, enable multiple use and access to resource-based infrastructure, allocate mineral revenue to local communities and consider community equity participation in mining a viable option.

Indeed, one way or another, to generate benefits for all and a compact for transformational change, every gesture matters and is important. Thus, the voices of artisanal and small-scale miners (galamsey) in Ghana who encroach on the operations of large-scale operators must be heard during mine project design and accommodated during the operations stage. Moreover, when local suppliers and business associations cry for access to the supply value chain of mining operations, it is important to harbour their claims in local content policies, in which mining companies should incorporate in their responsible business practices. In addition, it should not come as a surprise nor be considered a trivial incident when governments such as in Indonesia ban the export of unprocessed minerals or contracts are renegotiated in DRC or Guinea.

Furthermore, when the Cajamarca local community in Northern Peru protests over fears that the Yanacocha (a joint venture between Newmont Mining Corporation, Compania

Buenaventura and the International Finance Corporation) US\$ 4.8 billion Conga gold mining project would destroy local lakes, pollute water sources and disrupt their social fabric and way of life, it is paramount to listen to their grievances and dialogue in search for a lasting solution. Even more urgent is the need to ensure that, under no circumstance, the tragic events of August 2012 in the Lonmin platinum mine in Marikana, North West Province, in South Africa, in which 44 people, including 36 striking miners, were killed—a profound scar and failure to dialogue in a polarised environment—is repeated in any other mining jurisdiction on earth.

As indicated earlier, managing these and other dynamics is very challenging. Failure to do so can lead to the erosion of a license to operate, intractable conflicts, reputational damage, business failure and paralysis that benefit nobody. Getting it right requires open dialogue, constructive multi-stakeholder engagement and honest brokering of realistic solutions. This is a joint responsibility of a multitude of stakeholders in host and home countries.

Therefore, we need to celebrate when, through the Extractive Industries Transparency Initiative (EITI), governments and companies are asked to disclose payments made or received for mineral resources; the OECD adopts the Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, as a means to mitigate the trade in illicit minerals and conflict minerals, and, in the same vein, US lawmakers enact the Dodd-Frank Wall Street Reform and Consumer Protection Act (Section 1502 on conflict minerals and Section 1504 which requires oil, gas and mining companies to publicly disclose payments made to governments in each of the jurisdictions they operate) and the European Union follows suit with its new Accounting and Transparency Directives.

Equally relevant is the report of the high-level Task Force on Illicit Financial Flows, chaired by South Africa’s former President Thabo Mbeki, which underscores that annually Africa loses US\$ 50 billion through illicit financial flows (including from the extractive sector) and calls for global action on secrecy jurisdictions, tax heavens, aggressive tax avoidance, commercial tax evasion, trade misinvoicing, abusive transfer pricing, disclosure of beneficial ownership and other forms of criminal, corrupt, market/regulatory and tax abuses, fraudulent practices and abuse of authority, just to name a few (UNECA 2015).

It is also an important sign of change when big business signs statements of support to the new ‘John Ruggie’ UN Guiding Principles for Business and Human Rights Reporting Framework endorsed by the UN Human Rights Council in June 2011. We also have to take note when KLP, Norway’s largest pension fund manager, indicates that it will divest from companies that derive a large proportion of their revenue from coal, with the view to contributing to a switch from fossil fuels to renewable energy. We should also pause

⁸ http://www.oxfamamerica.org/static/media/files/OA-Digging_to_Development.pdf (last accessed: 13 April 2015)

and reflect when other large institutional investors de-invest in mining because of reputational risks or are concerned with the ‘carbon bubble’ and ask major oil, gas and coal companies to incorporate the risks of climate change in their business models and practices.⁹

These contributions to global ethics and transparency norm and standards setting in the form of hard and soft law, rules and regulations and reporting obligations constitute critical steps towards better governance and accountability in the extractive industry. We believe that they are part of the institutional make-up and fabric that can make the AMV ambitious agenda a reality.

The CMV: reshaping the conversation

For several African countries, the extractive sector can be a potential game changer. For example, in Guinea, the Simaondou iron ore project can, in full production, singly add US\$ 5.6 billion annually to the country’s GDP (raising it from the current 2.5 to 17 % GDP growth per annum, which would make Guinea one of the fastest growing countries in the world) and contribute annual payments of US\$ 1.5 billion to the state, through taxes, royalties and dividends.¹⁰ Equally, in Mozambique, the discovery of more than 180 trillion cubic feet of natural gas in the Rovuma Basin in Cabo Delgado can change the face of the country. Its natural gas reserves places the country in a league of its own together with countries such as Russia, Iran, Qatar, USA, Australia and Norway. The country’s Natural Gas Master Plan projects the construction of six liquefied natural gas (LNG) processing plants which will require investments of US\$ 60 billion dollars, at least.¹¹

In such jurisdictions, the extractive industry is not a ‘business as usual’ venture whose destiny can be entrusted to a single entity as a Ministry of Mines, no matter how strong and well resourced. It becomes the business of an entire nation and its partners, including foreign direct investors. The conversation is no longer about how to optimise mining through the usual recipe of measures such as improvements of legal and regulatory frameworks, tweaking the mineral fiscal regime or offering investors a predictable and stable business environment. It is a far deeper and fundamental structural shift, which calls for a new dispensation and paradigm change. This, we note, needs a country mining vision.

The migration and domestication of the AMV at country level is therefore a pre-requisite to the full realisation of the

vision. It is at country level that mining happens. It is there where policy makers are confronted with the daily challenges of deciding which policy and regulatory options to choose with the view to making their countries globally competitive as a mining destination, but equally responsive to societal demands and aspirations for a fair deal, equitable revenue distribution, job creation, infrastructure development, mineral linkages and local content, as well as the observance of the highest environmental, human rights and social norms. As reflected in the WEF Mineral Value Management framework, aligning these different interests represents a serious challenge for all parties concerned.

So, what is a CMV?

The Country Mining Vision is an institutional process, a political exercise, a tool and a product to facilitate the translation of the AMV tenets and national aspirations on the role of extractives in development into a social and political compact that generates benefits for all. The CMV, as an enabler for agency, offers a platform to address the two structural imperatives discussed earlier, namely the need to eliminate silos and the balkanisation of government functions in managing the extractive sector and improve inter-departmental coordination and the necessity to bring different stakeholders together to engage in collective action, balance and align their needs and views and create a ‘movement for change’ at national level built on a shared vision and common purpose.

The CMV aims to be a living and dynamic process that aspires to be responsive at the same time to geopolitics, the political economy of extractives and of change, societal pressures, market dynamics, business fundamentals and the concerns of today and tomorrow, which is not an easy task to accomplish. It also aims to provide country-specific and realistic pathways to transform long-term visions into reality across several political and electoral cycles. This is fundamental given the volatility that characterises the extractive sector and the long gestation periods of mining projects.

As a key catalyst for broad-based development, the extractive industry is at the centre of the CMVs. However, to maximise impact and trigger productive linkages, the CMV requires the formulation of interconnected plans and programmes from other sectors of the economy. This is clearly illustrated in the process followed to formulate Chile’s mining vision: ‘*A virtuous, sustainable and inclusive mining industry to improve the quality of life of current and future generations*’. As reflected in the report—‘Mining: A Platform for Chile’s Future’¹²—to the President of the Republic of Chile Michelle Bachelet, the vision, spearheaded by the Commission for Mining and Development of Chile and

⁹ <http://www.mining.com/web/institutional-investors-concerned-about-unburnable-carbon-fallout/> (last accessed: 8 April 2015).

¹⁰ http://www.riotinto.com/documents/RT_Simandou_Economic_Impact_Report_EN.pdf (last accessed: 9 April 2015)

¹¹ <http://www.macauihub.com.mo/en/2014/11/07/lng-will-mozambique-be-a-winner-in-the-global-energy-supply-market/> (last accessed: 10 April 2015)

¹² <http://www.cnrc.cl/index.php/informe-mineria-plataforma-de-futuro-para-chile.html> (last accessed: 20 April 2015).

the National Council of Innovation and Competitiveness, benefited from inputs of a large group of multi-stakeholders representing the government, international mining companies, municipalities, NGOs, CSOs, think tanks, state-owned companies, universities and other bodies. The Chilean process notes that the vision will be driven by individual and collective efforts glued by a broad political and social pact. It identifies the need for new public-private institutional frameworks to ensure greater coordination and a move from transactional to transformational approaches to development. It calls for the ‘emergence of a robust ecosystem of innovation’ and a fluid and permanent multi-stakeholder dialogue.

The success factors for a CMV are grounded on the level of country ownership of the entire process, the quality of leadership across different levels of government and other constituencies, the strength of the political commitment and buy-in at the highest level, the transparency and legitimacy of the multi-stakeholder/multi-sectorial consultations, the depth of the communication and advocacy strategy, the objectivity of the resulting action plan and, critically, the capacity to implement the vision.

Several African countries have already indicated interest in the CMV approach. Mozambique and Lesotho pioneered the experiment. These pilots have indicated that there is ‘no size that fits all’ in the conduct of the CMV. However, several common elements are already emerging. These were captured in the CMV Guidebook formulated on 12–30 September, through a booksprint exercise.¹³

The common elements are

- Initial engagement with a country top leadership to determine actual or latent demand for a CMV and identify a champion (preferably in the person of a Head of State or Government) to spearhead the process;
- Establishment of a CMV multi-stakeholder coordinating body or task force to oversee the entire process;
- Applied political economy study: to map the main challenges confronting the sector and undertake an institutional analysis of the main agencies and actors in public policy (this helps to evaluate legitimacy issues, capability and incentives to move a reform agenda);
- Local scan and detailed analysis of the national economic and social landscape;
- Mapping of the country’s geological potential;
- Regional and international scans: to review regional and global mineral development trends and identify key external drivers and dynamics (commodity prices, the state of the global economy, etc.) in the sector and their potential impact on a country mineral sector;
- Policy reviews: to assess the quality and relevance of fiscal regime, legal/regulatory frameworks and their fit with the findings of the political economy study and alignment with other sectoral policies;
- Cost and benefits analysis;
- Transformation maps: grounded on a theory of change that includes the mapping of stakeholders’ aspirations on the role of extractives in development and the plausible trajectories to realise them;
- Communication, outreach and advocacy strategy: This is critical to manage stakeholders’ expectations;
- The organisation of a high-level multi-sectoral and multi-stakeholder round-table and dialogue (led by Head of State or Government) on extractives and development to launch the CMV process;
- Follow-up multi-stakeholder consultations towards the formulation of a common vision and identification of priorities and focus areas;
- The formulation of the CMV and supporting action plan/business plan with baseline data, activity list, division of labour with clear roles and responsibilities, benchmarks, targets, timelines, resource requirements;
- Implementation of the CMV;
- M&E frameworks; and
- Regular reporting

The CMV Guidebook offers a step-by-step guide to help countries implement the elements described above including the logical sequencing of interventions, the available options to conduct strategic assessments and organise multi-stakeholder consultations and policy dialogues. It also provides guidance on policy design, the formulation of the CMV proper including the supporting communication and M&E tools.

Conclusions

The success of the Africa Mining Vision will depend on the level at which its key tenets inform visioning processes, strategy setting and policy reforms and implementation in the extractive sector at country level in Africa. As we said, ‘policy design works best when instruments are available to carry it out’ (UNECA 2011: 154). The CMVs offer a credible and comprehensive institutional platform and set of instruments to domesticate the AMV in a manner that generates a solid and genuine social and political compact for change. Given the centrality of linkages to the AMV agenda, the CMV breaks with traditional silos and fosters links between traditional institutions responsible for the extractive sector with those in charge of infrastructure, industrial development, agriculture, trade, education, research and development, to name a few. It institutes a systemic, organically grown and integrated

¹³ <http://www.unece.org/media-centre/stories/minerals-centre-produces-guidebook-domestication-african-mining-vision#.VHSTvflxmUK> (last accessed: 10 April 2015)

approach to develop at the macro, micro and spatial levels which recognises the importance of political processes and fosters dialogue and partnerships to translate mineral resources development into shared prosperity for all.

Power (2012) said that mining-driven development in the USA, Canada and Australia was triggered through an ‘overall transformation in business and financial organisation, education, research and knowledge development, human capital accumulation and infrastructure expansion’. This, he added, ‘was strengthened by well-developed and stable political institutions that respected the rule of law, markets and private enterprise’. We could not agree with him more; this is equally applicable to Africa! These foundational issues are at the basis of the AMV. The CMV is an instrument to make this possible in Africa. However, we add that the realisation of the AMV and CMV requires a ‘developmental state’; one that (i) provides the necessary leadership and guidance in constructing a comprehensive development framework; (ii) promotes dialogue with key social and economic agents; allocates resources in an efficient and coordinated manner; and sends signals, provides incentives and regulates the market towards broader development in benefit of all (UNECA 2011:129).

Certainly, this will not be an easy sailing; we should not be naive about it! The effort to rally different constituencies together with the view to creating a movement for change and a ‘planned process of sustainable long-term development’ (UNECA 2011: 154) will be faced with immense internal and external barriers including from AMV detractors and vested interests from within and outside Africa. Building support for reforms and combining a broad range of stakeholders with the legitimacy and capability to take and implement decisions will be equally difficult. Managing expectations, moving beyond short termism and ensuring institutional cohesiveness beyond political cycles will always represent a mammoth task. At the end though, we believe that with the right leadership and commitment of all parties, the value

proposition of the AMV and CMV will become obvious to all.

References

- AfDB, AUC, UNECA (2009) Africa Mining Vision
- Dittrich M, Giljum S, Lutter S, Polzin C, Amt UB, Stiftung HB (2012) Green economies around the world? Implications of resource use for development and the environment. SERI, Vienna
- Dietsche, E (2014) Good governance of the extractive resources sectors: a critical analysis. Available at: http://discovery.dundee.ac.uk/portal/files/5473036/Dietsche_phd_2014.pdf. Accessed 16 June 2015
- Morris M, Kaplinsky R, Kaplan D (2012) One thing leads to another: promoting industrialisation by making the most of the commodity boom in sub-Saharan Africa, free download from <http://tinyurl.com/CommoditiesBook> or for less than \$10 plus postage from an on-line bookshop ISBN: ISBN 978-1-4717-8188-9
- Pedro AMA (2004) Mainstreaming Mineral Wealth in Growth and Poverty Reduction Strategies, available at http://www.uneca.org/sites/default/files/publications/mainstreaming_mineral_wealth_policy_paper_final_ct.pdf
- Power M (2012) Digging to Development? A historical look at mining and economic development: an Oxfam AmericaReport, available at http://www.oxfamamerica.org/static/media/files/OA-Digging_to_Development.pdf
- UNECA (2004a) Improving public participation in the sustainable development of mineral resources in Africa, available at <http://www.uneca.org/sites/default/files/publications/improving-public-participation-17-august-2005.pdf>
- UNECA (2004b) Mineral cluster policy study in Africa: pilot studies of South Africa and Mozambique, available at http://www.uneca.org/sites/default/files/publications/mineral-cluster_book_sml.pdf
- UNECA (2011) Minerals and Africa’s development: The International Study Group Report on Africa’s Mineral Regimes, available at http://www.uneca.org/sites/default/files/publications/mineral_africa_development_report_eng.pdf
- UNECA (2015) Report of the High-level Panel on Illicit Financial Flows, available at http://www.uneca.org/sites/default/files/publications/iff_main_report_26feb_en.pdf
- USGS (2012) 2012 Minerals Yearbook: MOZAMBIQUE, <http://minerals.usgs.gov/minerals/pubs/country/2012/myb3-2012-mz.pdf> (last accessed: 16 March 2015)