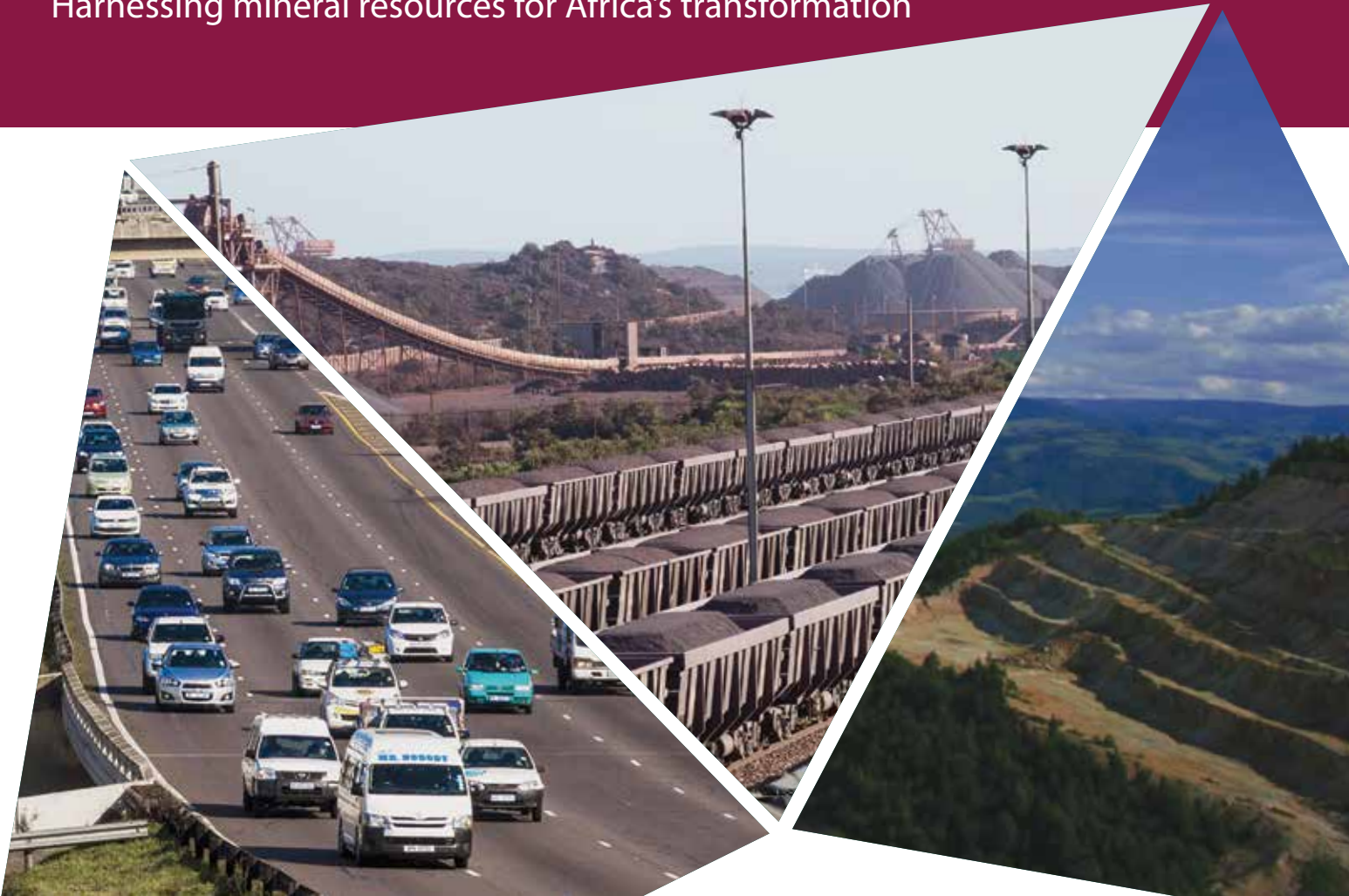




African Minerals Development Centre: Linkages, investment and diversification

Harnessing mineral resources for Africa's transformation



Africa Mining Vision (AMV)

“Transparent, equitable and optimal exploitation of mineral resources to underpin broad-based sustainable growth and socio-economic development.”

The AMV puts Africa’s long term and broad development objectives at the heart of all policy-making concerned with mineral extraction.

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Milestones

- 2009 Africa Mining Vision (AMV) adopted by African Union (AU) Member States as the continental framework for the development of the minerals sector in Africa.
- 2011 AU Member States adopt a comprehensive AMV Action Plan.
- 2013 The African Minerals Development Centre (AMDC) established to accelerate AMV implementation across Africa.
- 2014 onwards AMDC leads concerted and strategic efforts to put the AMV framework into operation through programme activities and studies with AU Member States, African regions, and key global initiatives.
- 2016 AMDC drafts AU Heads of State-commissioned report on innovative approaches to harmonizing fiscal regimes for greater domestic revenue mobilization and value addition in the African minerals sector (*see page 13*).

The AMDC Vision

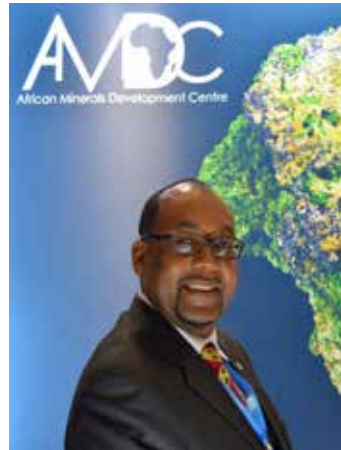
To become a Centre of Excellence and the facilitator of choice to enable AU Member States to realise the Africa Mining Vision.

AMDC Mission

To work with AU Member States and their national and regional organisations, including the AUC, the NEPAD Planning and Coordinating Agency (NPCA), and Regional Economic Communities (RECs) to enable mineral resources to play a greater transformative role in the development of the continent through increased economic and social linkages, and in this manner, help address its intractable poverty and limited development.



A message from AMDC's Coordinator



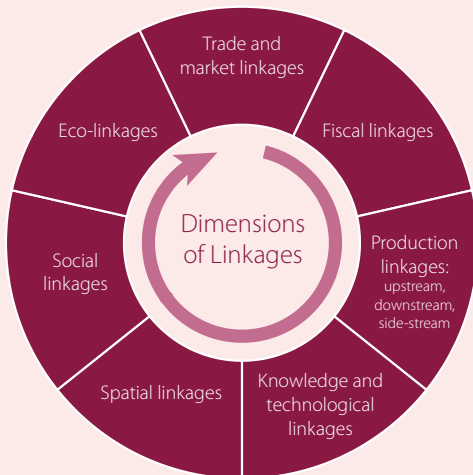
In 2009, the Africa Mining Vision (AMV) was adopted by African Heads of State and Government. The AMV offers a unique, pan-African pathway to finally reverse the old paradigm regarding the management of our mineral wealth. It seeks to use Africa's natural resources sector to transform the continent's social and economic development. AMDC is the lead institution that supports AU member States to fast-track alignment of their mineral sector development to the Vision, to achieve better developmental outcomes.

The Vision is designed to support our governments in addressing the complex linkages that must be unlocked to make mineral resources truly developmental.

AMDC's seven workstreams reflect the priorities identified by African governments, and work together to support African mineral economies to: develop consistent development-oriented mineral policies and regulatory frameworks; make effective use of geological and geospatial information for governance and developmental outcomes; diversify their economies by unlocking economic linkages; establish a knowledge-driven and well-governed African mineral sector that is socially and environmentally accountable, and contributes to broad-based growth and development; and build a viable and sustainable artisanal and small-scale mining sector to provide decent quality of life for rural communities.

It is no surprise that the word 'linkages' is prominent in AMDC's core mission. The Vision stresses the importance of a holistic approach to minerals development that adds value by: developing upstream linkages into mining capital goods, consumables and service industries; downstream linkages into mineral beneficiation and manufacturing; and side-stream linkages into infrastructure (power, logistics, communications, water) and skills and technology development. AMDC is undertaking exciting work with stakeholders across Africa to leverage this approach to encourage investment in the minerals sector and greater economic diversification across AU member States.

Dr. Kojo Busia
AMDC Coordinator





From Vision to action: the linkages, investment and diversification workstream

The goal of AMDC's linkages, investment and diversification workstream is to unlock the transformative potential of mineral resources to foster diversified, vibrant and globally competitive industrial economies in African resource-rich countries.

AMDC's linkages, investment and diversification workstream was established to address a number of key challenges highlighted in the Africa Mining Vision (AMV) and identified by African member States as requiring strategic support to unlock opportunities thus far under-explored. The workstream addresses economic, social, fiscal and knowledge barriers that prevent African countries from achieving the full potential of their mineral resources. Linkages between the African minerals industry and other economic and social sectors are generally not sufficiently developed, reflecting the industry's over-reliance on extracting and exporting minerals with limited value addition to overseas markets. The export of minerals in their raw forms means that opportunities for creating much needed jobs and transforming economies are lost. A number of challenges inhibit development of economic linkages in the sector, such as externally-focused mining company procurement, significant skills gaps across Africa, and infrastructure deficits.

Africa's large infrastructure deficit limits the potential for increased mineral exploitation, especially in transport and energy. Perceptions of political risk, sovereign credit ratings and technical risk also deter investment in mining

and infrastructure projects. Moreover, neither domestic sources of capital nor the private sector participate fully in infrastructure projects, leading to a failure to unlock shared mineral project opportunities.

With some exceptions, the African minerals sector generates little new knowledge in terms of mining-related products, processing technologies and services. There is limited domestic funding for technology and research, and generally weak partnerships between research institutes and mining companies. This dearth of research and development (R&D) is a major challenge to sector competitiveness. Home-grown R&D is vital for creating value-added to mineral products and generating new technology options.

The AMV encourages African minerals sector stakeholders to think 'out of the mining box'. AMDC's linkages team puts this into practice, working with AU member States, the private sector and other stakeholders to create and strengthen production, trade, knowledge, social and spatial linkages. It has a particular focus on

support to countries in domesticating the AMV by harmonising or developing related policies and strategies, including by supporting implementation and monitoring of progress. AMDC also aims at accompanying the development of benchmarked programmes and incentives to support:

- investment in industrial activities along the mining supply chain
- spatial development corridors based on mineral resources, notably by using targeted infrastructure development to unlock other economic opportunities
- minerals value chain initiatives.

The linkages, investment and diversification workstream will result in:

- Strengthened government planning and implementation capacities for integrated development and mapping of economic linkages, both within the mineral sector, and between the minerals sector and other economic sectors
- Stronger partnerships between government and the private sector to support the development of sustainable suppliers
- Greater availability of mineral revenues and investment finance, leading to greater wealth creation and ownership by nationals
- Improved cross-border harmonization of infrastructure planning and regulatory frameworks, leading to integrated mining infrastructure and spatial development for greater economic and social benefits
- Increased investment in R&D, including from the private sector, leading to greater knowledge generation.

"Our... ongoing efforts across the continent to develop and manage our mineral resources in a responsible and inclusive manner, in order to achieve the structural transformation of Africa and the realization of Agenda 2063."

HE Fatima Haram Acyl, *AU Commissioner of Trade and Industry, 3rd AU Conference of Ministers responsible for Mineral Resources Development, November 2014, Zimbabwe*



AMDC Partners

Strategic Partners

The African Union Commission (AUC), African Development Bank (AfDB), United Nations Development Programme (UNDP), United Nations Economic Commission for Africa (UNECA), NEPAD.

Linkages, investment and diversification Partners

Value addition: African Center for Economic Transformation (ACET), Bundesanstalt für Geowissenschaften und Rohstoffe¹ (BGR), AUC/ UNECA High Level Panel on Illicit Financial Flows, Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development (IGF), Minerals and Energy for Development Alliance (MEfDA), Organisation for Economic Co-operation and Development (OECD), Tax Justice Network Africa (TJN-A), United Nations Development Programme (UNDP), World Bank.

Funding Partners



¹ Federal Institute for Geosciences and Natural Resources

AMDC's linkages work and the Sustainable Development Goals (SDGs)

The Africa Mining Vision and the SDGs provide a mutually-reinforcing framework for mineral-led development in Africa.

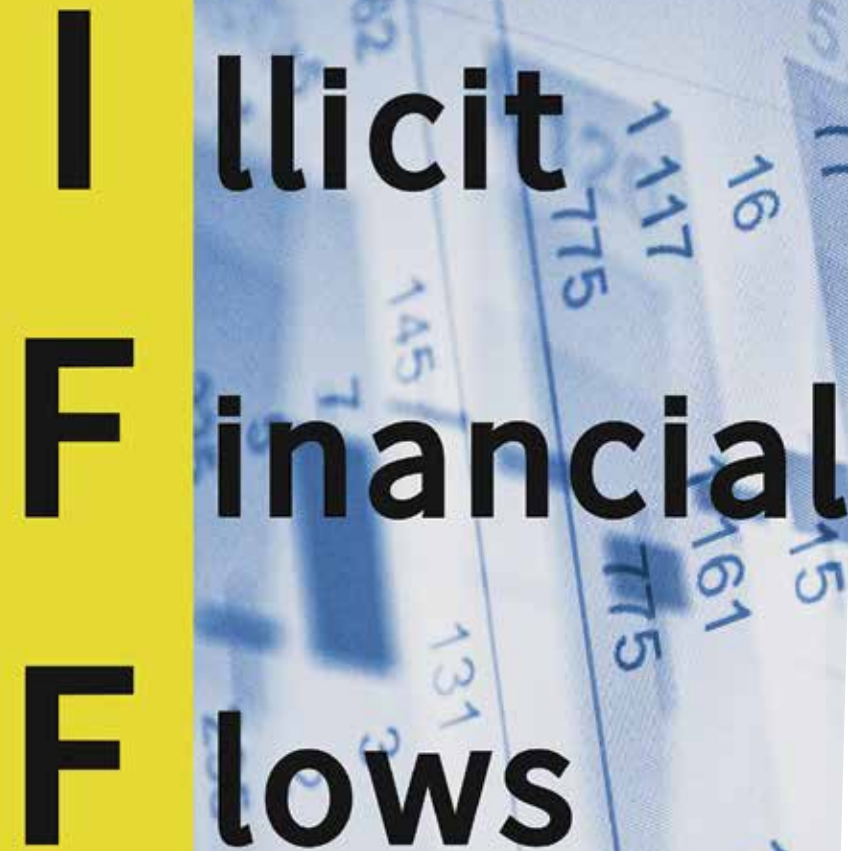
On 25 September 2015, spearheaded by the United Nations, countries adopted a set of seventeen Sustainable Development Goals, setting a fifteen-year agenda that aims to end poverty, protect the planet, and ensure prosperity for all. Adopted in 2009, the AMV has inspired Africa's position in the design and adoption of the SDGs.

The AMV has therefore proved to be ahead of its time. The strong linkages between the AMV pillars and the SDGs are evident. Preceding the global SDGs by more than six years, the AMV departed from the conventional wisdom on minerals to focus

on broad-based development. The overriding goal of the AMV is a sustainable and well-governed mineral sector that effectively garners and deploys resource rents and is safe, healthy, gender- and ethnically-inclusive, environmentally-friendly, socially responsible and appreciated by surrounding communities, and provides a mutually-reinforcing framework for structurally transformed mineral-led development for the continent.

AMDC's linkages, investment and diversification workstream has an important contribution to make to the achievement of a number of SDGs, most importantly:

 <p>8 DECENT WORK AND ECONOMIC GROWTH</p> <ul style="list-style-type: none">• Economic diversification/ industrialisation• Multiplier effects through linkages• Employment	 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> <ul style="list-style-type: none">• Mining corridors, shared use• Local content, value chains• Investment in R&D and technology	 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> <ul style="list-style-type: none">• Conflict-free minerals production• Responsible supply chains• Fair trade in mineral-related products	 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p> <ul style="list-style-type: none">• Transparency and accountability• Strong and inclusive institutions• Reduce illicit financial flows
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Illicit Financial Flows

Linkages, investment and diversification: How we are making a difference

By enhancing linkages and diversification within and outside the extractive sector, resource-based industrialisation has the potential to unlock more employment opportunities, higher incomes and increased socio-economic benefits in terms of development and poverty reduction in African countries. The workstream is also analysing the potential of regional mineral value chains to foster cross-border linkage development for income and job creation, including studies on the Southern African Development Community and the Common Market for Eastern and Southern Africa.

Thought Leadership

In accordance with the AMV, the linkages workstream is thinking outside the 'mining box' and formulating new ways of addressing challenges to linkage development and effective strategies to transform the mineral sector. For example, AMDC has furthered thinking to strengthen fiscal linkages in ways that curb leakages from the mineral sector. As a follow-up to the work of the AUC/UNECA High Level Panel on Illicit Financial Flows led by former South African President Thabo Mbeki, AMDC has prepared the report 'Impact of Illicit Financial Flows on Domestic Resource Mobilization: Optimizing Africa's Mineral Revenues', which provides policy recommendations on illicit financial outflows from the mineral sector in Africa.

The workstream has also developed new approaches to support harmonization of minerals policies and strategies in ways that ensure greater domestic revenues for countries and enhance the emergence of regional value chains. Following the request of the AU Heads of States, the workstream prepared a report including a framework to advise governments on options for harmonizing their mineral and fiscal regimes. The 2016 report, *Optimizing Domestic Revenue Mobilization and Value Addition of Africa's Minerals*, is free to download from the AMDC website (see page 13).

Thinking out of the box: a transformative taxonomy for Africa's minerals

Mining is often narrowly viewed by policymakers as a foreign exchange earner, rather than in the wider context of the transformative potential of mineral resources. Yet the AMV stresses the importance of optimising the potential of all minerals.


AMDC has developed a policy-relevant typology of minerals that better aligns with national and continental priorities of industrialisation and diversification through processing and beneficiation. The new norms prioritise minerals according to their market value and potential for linkages within local,

national and regional economies. The approach challenges current views that frame Africa's minerals primarily as raw materials for strategic industries outside the continent. Based on this typology, often-neglected industrial minerals become the most important category of minerals for diversifying African economies. Despite their low unit value, these bulk minerals offer high, sustainable and realistic potential for greater value retention and inclusive transformation of the mineral sector. The AU has adopted 'development minerals' as an effective categorisation for leveraging the potential of these construction, agro- and industrial minerals. At least 25 African countries are scheduled to be involved in the Development Minerals Programme, an international initiative to support the low value minerals sector. The AU sees the Development Minerals Programme as being aligned with the aspirations of the AMV.



Africa is the world leader in platinum production. South Africa and Zimbabwe together produce over **80%** of global platinum.



A satellite-style map of the African continent, showing topographical features like mountains and rivers, and coastal areas. The map is oriented with North at the top. A white text box is overlaid on the left side, and a light green callout box is on the bottom right.

Ghana: an example of linkages in action

Lucrative natural resources, a stable political system, and a dynamic economy have enabled Ghana to become the second biggest economy in West Africa after Nigeria. However, Ghana faces economic challenges due to the global slowdown in 2013, an excessive dependence on the mineral sector, and policy gaps in the extractive sector – notably with respect to beneficiation and value addition. The mining industry does not seem to connect sufficiently to other strategic areas of the economy, such as agriculture and industry. Ghana has recognised the need for diversification of its economic structure, with a stronger involvement of the local business sector, and by enhancing its human resource and technological capabilities to create more value and widen its economic space.

As part of the Country Mining Vision (CMV) process, AMDC, in collaboration with public and private stakeholders, is conducting an in-depth diagnosis of Ghana's minerals sector. The aim is to assess the scope and opportunities for creating industrial linkages across sectors, using mining as an 'anchor'. The analysis will draw a realistic and scientifically grounded picture of the growth potential of the supplier industry in Ghana and the wider region. There will be a particular focus on local content policies, diversification strategies and policies to improve labour participation in the mineral sector. The results are intended to guide policy interventions, and will feed into Ghana's ambitions to become a trade and industry regional hub, playing a critical role to supply high-quality inputs, services and skills to mining industries across the region.

"Ghana is working very closely with the African Minerals Development Centre to indigenise the AMV, through a Country Mining Vision."

H.E. President Mahama of the Republic of Ghana,
Keynote Address, First ECOWAS Mining & Petroleum Forum

"New revenues from extractives in Ghana could help fill most of the funding gap in the education sector (if indeed all those resources are invested in education)."

Pietro Toigo, *Chief Macroeconomist, African Natural Resource Center 2015*

The Linkages Workstream – Who we are

Charles Akong is Team Leader for the Linkages, Investment and Diversification Workstream. He has several years of country, regional and global experience in international development work. He specialises in a range of areas of sustainable development including economic, social and environmental issues. Previously, he worked in leading international organisations including the World Health Organization, the AUC, and the European Commission. Charles has a background in economics, public policy, international politics, climate science, public health, and environmental science. He is an avid blogger and columnist on global affairs.

Isabelle Ramdoo is a Senior Investment and Linkages Advisor at AMDC. She is currently working on developing strategic linkages to promote economic transformation in resource-rich countries in Africa. She has 15 years of experience in trade and investment policies and negotiations. Prior to joining the AMDC, she was a deputy head of programme at the European Centre for Development Policy Management in the Netherlands, where she developed and led the extractive industries work programme. She has published extensively on various dimensions of the extractive sector, in particular on local content and industrial diversification. She worked for the Government of Mauritius, notably as an economist and as a trade negotiator.

John Sloan is an Economic Affairs Officer with AMDC. His work covers identifying and establishing industrial linkages with the mineral sector. He also works on related issues including mineral value chains and harmonizing national mineral policies with the AMV. He has several years of experience with industrial and macroeconomic policy development with United Nations commissions in Africa and the Middle East. He has also worked

on education and workforce development policy with the World Bank. His publications cover issues of structural transformation and revenue mobilization in Africa, amongst other areas. He holds a masters in Development Studies from the London School of Economics (LSE) and a Bachelors in Economics from the University of Michigan.

Paul Jourdan is an African integrated development expert specialising in resource-based and spatial development strategies. He has wide experience working on economic growth and development in South Africa, the SADC, West and East Africa. He spent 16 years in Mozambique and Zimbabwe during the struggle against apartheid, working as a geologist, geophysicist and minerals economist, before returning to South Africa in 1991. Subsequently, he worked for the ANC and the South African Government in various positions including ANC Minerals & Energy Policy Coordinator, President of Mintek (a research parastatal), and Deputy Director-General in the DTI. He was a major contributor to the AMV and CMV. He currently chairs or sits on the board of three economic development agencies, and participates in tertiary education through short lecture series and post-graduate supervision. Most of his recent/current work is as advisor to the SA and other African governments, RECs and NGOs, on resource-based equitable growth and mineral value-chains.

Oliver Maponga is an Economic Affairs Officer with the UNECA-Southern Africa Regional Office. He is the AMDC resource person and consultant on strengthening linkages and diversification opportunities in the mining sector. He has extensive experience in minerals-led development strategies in Africa and the implementation of the AMV.

Linkages work - future strategic directions

AMDC's Linkages, investment and diversification workstream was established relatively recently and is still growing. We are currently rolling out CMV engagement to an increasing number of African countries. In 2017, we will expand our work on

spatial development, supporting member States in developing holistic approaches to the organisation of territories for minerals development to achieve infrastructural, economic and social benefits for all.



Learning more

AMDC publications are free to download at

<http://www.uneca.org/publications/african-minerals-development-centre>
or search 'African Minerals Development Centre – Publications'.



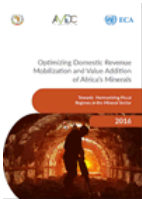
Africa Mining Vision, 2009

Sets out the Vision and explains the rationale for a developmental mining approach that enables growth through building economic and social linkages to benefit African citizens.



Country Mining Vision Guidebook, 2014

A step-by-step guide to developing and implementing a Country Mining Vision, including planning multi-stakeholder consultative processes, policy design and monitoring and evaluation.



Optimizing Domestic Revenue Mobilization and Value Addition of Africa's Minerals, 2016

The report presents options for harmonization and their implications for supporting domestic revenue mobilization and regional value chains. It reviews experiences from other countries and regions, with a view to identifying good practice for effective fiscal regimes in Africa.



Assessment of the Mineral Regimes in the East African Community: Aligning Frameworks with the African Mining Vision, 2017

The study reveals the state of mineral policy amongst EAC member states, identifies gaps between these policies and the AMV, and proposes policy actions to fill these gaps and ensure an AMV-aligned approach to mineral linkages and development.



Impact of Illicit Financial Flows on Domestic Resource Mobilization: Optimizing Africa's Mineral Revenues, 2017

The report demonstrates that inhibitive practices related to illicit financial flows and domestic resource mobilization in the mineral sector are increasingly widespread and complex. Based on four country case studies, the report explores means to better govern resources in Africa's mineral sector.



Economic Report on Africa – Greening Africa's Industrialization, 2016

UNECA's annual economic report focusing on sustainable industrialization, including an AMDC case study on aquaculture in Nigeria.



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AMDC – Keeping in touch

Sign up for AMDC's quarterly newsletter at eca-amdc@uneca.org

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search 'Africa Mining Vision'



www.youtube.com/user/unecaVideo

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