# Can the African Mining Vision deliver a developmental mining sector for Africa?

The AMV calls for an overall structural transformation of Africa's mineral economy along the entire value chain. This structural transformation will need to be financed in a sustainable manner. Such an agenda cannot be achieved through foreign funding.

By Claude Kabemba

It has been seven years since African governments adopted the Africa Mining Vision (AMV), a document which signals their recognition of the need for a paradigm shift in the role of minerals in Africa's economies. It is a development policy designed to optimise benefits from mineral resources (solid and liquid). It is a vision designed to bail out the African continent from her crisis of resource curse.

Since its adoption a lot has been achieved. The African Mining Development Centre (AMDC) has been established as the strategic focal point for the realisation of the Vision and the work plan has been adopted. The Country Mining Vision guide book has been developed by the AMDC, a good instrument for governments to initiate the participatory multi-stakeholder processes needed for national implementation of the AMV, and an Africa Mineral Governance Framework (AMGF) is being drafted. Since its establishment, the AMDC has provided technical support for requesting countries in formulating domestic mining policies in line with the Vision. It has also cooperated with a number of Civil Society Organisations to raise awareness of the AMV. But the question remains, is this project sustainable, considering the history of failed or struggling Africa Union (AU) Initiatives?

The AMV is not the first development policy designed by African countries through the leadership of the AU. The AMV is part of a long line of policy frameworks that have been adopted over many years in an effort to resolve the most pressing social questions of poverty and underdevelopment. The poverty and underdevelopment on the African continent stand in stark contrast with the abundance of its mineral resources. Africa is struggling to utilise these resources to create wealth. Some of development policies adopted by the continent and which have collapsed include the Lagos Plan of Action (LPA) adopted by the Assembly of African Heads of State and Government (AHG) in 1980. The LPA is considered to be the first effort to agree on a development policy by Africans. Since the LPA, there have been several other development programmes to review and adjust the plan to the changing needs and imperatives. They include the Africa's Priority Programmes for Economic Recovery (APPER), which was later transformed into the United Nations Programme of Action for Africa's Economic Recovery and Development (UN-PAAERD) (1986); the African Alternative Framework to Structural Adjustment for Socio-Economic Transformation (AAF-SAP) (1989); the African Charter for Popular Participation for Development (1990); and the United Nations New Agenda for the Development of Africa (UN-NADAF) (1990).

In 2001, African leaders launched the 'New Partnership for Africa's Development' (NEPAD), whose overriding goal is to end Africa's poverty and underdevelopment. At the centre of this plan is the recognition that economic growth and sustainable development cannot happen in the absence of good governance. NEPAD was followed by the 'African Peer Review Mechanism' (APRM) in 2003 to monitor and evaluate the progress of African countries in complying with the principles and values of good political and economic governance and in achieving the objectives set out in NEPAD. NEPAD and the APRM are both struggling to perform at their fullest.

There are many reasons why African Initiatives collapse or fail to move in higher gear. These reasons range from weak leadership, the gap between policy and implementation, the lack of supportive institutions and, more importantly, a lack of funding. An important factor that has paralysed the implementation of many initiatives has been intrinsic contradictions and ambiguities linked to their external origin. A criticism of NEPAD has been its neo-liberal inclination. The enthusiasm from western countries to fund it has been because it reinforces the neo-liberal discourse. These reasons are also haunting the AMV; and the question is, can the AMV circumvent these problems?

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The first problem the AU must resolve is the over-reliance on external partners to fund the AMV. The AMV has not escaped the capture by external forces that other initiatives have experienced. Although it has its origin on the continent, it follows the traditional model where African initiatives, to survive, must depend on external funding. The AMDC is being funded by western governments, especially by Canada and Australia. While this is appreciated, it undermines the central ideal of AMV that of reclaiming control and ownership of minerals by Africans. The external funding also poses the problem of sustainability. There is no guarantee that our international partners will continue to fund our initiative. What would happen if the two key funders of the AMV decided to withdraw their support?

It is problematic for the funding of the continent's most strategic sector to be left to external partners alone. The failure of the Lagos plan was attributed to donors' refusal to fund it. The heavy reliance on outside funding has contributed immensely to the paralysis of NEPAD and the APRM. Equally, the funding support from external partners is not always prompted by a benevolent attitude toward Africa. Whatever type of arrangements are put in place, aid (except maybe with humanitarian aid such as that which was given in relation to ebola in West Africa) has strings attached. This funding model has the potential to entangle Africa with external partners and perpetuate the relationship of dependency which has for years failed to bring about Africa's development.

This does not mean international partners have no role to play in the promotion of the mining sector on the African continent. For historical reasons and because they ought to recognise a moral obligation, they should help to restructure the African mining industry in line with the AU 2063 agenda and the AMV. The continent must guide outside funding toward key priorities which advance its own agenda.

The reliance on external financial assistance to implement an African vision is not necessitated by poverty but by poor management of revenue on the continent. There would not have been a need to look outside for assistance in this sector if transparent and accountable management of revenues had been practiced. Before the collapse of commodity prices, there was a spectacular increase in revenue collection in the resource sector on the continent, especially in resource rich countries such as Nigeria, Angola, Botswana, Gabon, Chad, Cameroon, Mozambique, Congo Brazzaville and Equatorial Guinea. With very small contributions from each African government, the continent could easily finance the implementation of the Vision.

The second problem is how to bridge the gap between policy and implementation. It seems there is no political commitment at country level to implement the AMV. This lack of political will manifests itself, for example, in the refusal by African leaders to provide funding to the AMDC. In many countries, there is an absence of a conscious, systematic adoption of the AMV and its Action Plan. There is not yet a single African country where mobilisation and organisation around the reform agenda of the AMV is an overtly dominant political influence. At most, whatever minimal progress registered have been ad hoc initiatives, such as steps to revise mining fiscal regimes and revise contracts, which reflect some of the key concerns of the AMV. However these have been effected outside the AMV, and with little or no reference to it.

In particular, key progressive pillars of the AMV relating to economic transformation through linkages between mining and the other sectors of the economies, artisanal and small scale mining (ASM), and the rights of communities and workers have been virtually ignored. Many African governments continue to devote too much attention to foreign aid related mineral governance frameworks originating from outside the continent.

The third problem is how to strengthen the partnership between government, private sector, civil society and communities in the implementation of the AMV. The Vision's goal of "mutually beneficial partnerships between the state, the private sector, civil society, local communities and other stakeholders" must define the process of domestic implementation which must also involve a critical role for legislatures and MPs. Africa's governments need urgently to begin to lay the foundations for the realisation of our common dream of moving Africa from what it has been since colonialism, i.e. a source of raw materials for the development of others, towards making our minerals a key part of the industrialisation and structural transformation with equity.

The fourth problem is how the AMV can help stop the financial bleeding of the continent. The Mbeki Report has estimated that the continent loses approximatively US$ 50 billion a year in illicit financial flows. This amount has been adjusted to US$ 90 billion. Illicit financial flows are growing in importance as part of the African policy advocacy landscape with the extractive sector widely agreed to be of key significance. These issues with a direct or contextual importance for the AMV are critical components of any useful analysis and planning for advocacy around the AMV in each country and region.

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The fifth problem is how to achieve the structural transformation of the sector. This entails the transformation of resource governance from the export of raw materials to that of goods where value had been added through beneficiation, which itself happens through the application of appropriate technology and innovation. The structural transformation is centred around reforming the colonial state largely as an exporter of raw materials and natural resources. This model is rooted in the export of low value, diminishing returns goods. Unless the funders of the AMV agree that this structural deficiency needs to be reformed the AMV will not achieve its objective.

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But the major obstacle to the implementation of the AMV remains funding. The AMV calls for an overall structural transformation of Africa's mineral economy along the entire value chain. This structural transformation will need to be financed in a sustainable manner. Such an agenda cannot be achieved through foreign funding. The AMV can only be implemented in a sustainable manner through a self-reliance and self-sustaining funding model. A self-reliance approach is within the transformative agenda of the continent.

Africa is seeking in the AMV measures to address the constraints to optimising the value of our minerals. And one of those constraints has been the control of the mining sector by multinational companies. Most of these multinational companies are reluctant or refusing to implement the key pillar of the AMV – value addition to Africa's minerals. The multinational companies also resisted plans, at the peak of the resource boom, for resource rich countries to adjust their fiscal regimes and mining contracts to benefit from the high commodity prices. The relative decline of mineral prices in recent years and the resultant anxieties about mineral revenues have furthermore weakened the resolve of many governments.

The argument here is not an outright rejection of financial support that might come from international partners. The world is so much more intertwined today than ever before, so it would be an error to even consider such a backward argument. The point is to simply ask Africa to take full responsibility for its own development, through an effective utilisation of both internal and external resources. The external financial support must be fully integrated within the larger development context. For this reason it is recommended that in order to provide support to effective implementation of the AMV, the AU must create an Africa AMV Mineral Trust Fund (AAMTF) by remitting their contributions to the funds. The funds will be used to fund short, medium and long-term projects and activities agreed upon by all. ■