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Sixth Session

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Africa Review Report on

Mining

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1. Introduction

1. General Assembly Resolution A/Res.58/218 mandates the United Nations Regional Commissions, in collaboration with the United Nations Commission on Sustainable Development (CSD), Governments, United Nations funds and programmes, other organizations of the United Nations system, international financial institutions, and all relevant international and regional organizations to organize multi-stakeholder Regional Implementation Meetings (RIMs) and to provide regional inputs into the work of the CSD. In this context, the United Nations Economic Commission for Africa (ECA) has been organizing RIMs in collaboration with partner organizations since 2003.

2. The 2009 RIM to be held in October 2009, during the Sixth Session of the Committee on Food Security and Sustainable Development (CFSSD-6), is being organized in collaboration with the United Nations Department of Economic and Social Affairs (UNDESA), the United Nations Environment Programme (UNEP), the United Nations Industrial Development Organization (UNIDO) and other partners. The RIM will discuss regional inputs into the Eighteenth Session of the UN CSD (CSD-18) which will review progress in the implementation of Agenda 21 (A21), the Programme for Further Implementation of Agenda 21 (PFIA21) and the Johannesburg Plan of Implementation (JPOI) commitments in the thematic areas of transport, chemicals, waste management, mining, and the Ten-Year Framework of Programmes on Sustainable Consumption and Production (SCP).

3. This report is a summary of an extensive review undertaken by ECA and its partners on progress made towards implementing mining-related commitments. The review was primarily based on paragraph 46 of the JPOI and included the following areas:

- (a) Effective and transparent regulatory frameworks;
- (b) Transparency and accountability;
- (c) Governance and public participation;
- (d) Environmental, economic, social and health impacts and benefits;
- (e) Value addition, R&D and technological information;
- (f) Artisanal and small scale mining; and
- (g) Building human and institutional capacities.

4. The report provides an overview of the significance of the mining sector in advancing Africa's sustainable development agenda. It outlines key emerging issues in the mining sector in Africa and progress made towards implementing mining-related commitments in the above areas. Furthermore, it identifies implementation challenges and constraints, highlights lessons learnt and proposes recommendations, including policy measures needed to accelerate implementation.

5. The report is submitted for the consideration of the RIM in order to stimulate discussions aimed at generating inputs into the Africa RIM Statement. The outcome of the discussions will be incorporated into the final regional review report on mining, which will serve as a reference document for CSD-18 deliberations. The review report is expected to serve as a yardstick and advocacy tool for member States, African regional and subregional organizations, and all relevant partners and organizations, to speed up progress towards the sustainable development of Africa's mining sector.

include providing funding to universities for student bursaries, and support for research centres and professorial chairs.

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employing the multi-stakeholder approach as happened in Malawi, Namibia, South Africa and the United Republic of Tanzania. Generally, however, Governments still see policy-making and regulation of the mining sector as their sole responsibility. Many African countries do not have sustainable development principles in their national mining policies. Local equity participation in mining projects is also not seriously promoted nor embedded in law as is the case in South Africa. As a result, participation of nationals in large-scale mining projects is not commonplace in many African countries. Countries with empowerment schemes, like South Africa, have fared better, but they are the exceptions.

33. Improvements in community participation have been facilitated by mining companies subscribing to international CSR-based schemes. While this applies to high profile mining companies, smaller ones are not held to the same standard of accountability. Traditionally, CSR in the mining sector has been voluntary. However, there has been an increasing awareness that CSR must be grounded in some form of policy legislation or other mandatory agreements. Countries that have implemented a legislative approach include Nigeria and South Africa. Other countries, such as Ghana, the United Republic of Tanzania, the DRC, Namibia, are increasingly seeking to entrench CSR in their policy frameworks.

34. At the *subregional level*, harmonization frameworks, like that of SADC, have embraced the need to have uniform governance and CSR standards. The SADC framework also emphasizes the participation of nationals in mining projects and benefit sharing with communities around mining projects. It further encourages the participation of women in the minerals sector, based on the SADC Gender Protocol.

35. *Environmental, economic social and health impacts and benefits* - Significant *national level* strides have been made in the inclusion of environmental and social requirements in African mineral regimes. The new legislative and regulatory regimes emerging in most countries now include requirements for an environmental impact assessment (EIA), although less so for social impacts. The requirement for both social and environmental rehabilitation funds is still not very prevalent despite the popularity of EIAs. Even in countries where social and environmental funds are included in the legislative framework, and ESIA is a mandatory requirement, the provisions are often not fully implemented because of capacity constraints within government and the lack of involvement of other stakeholders to enhance compliance. This is for example the case in the United Republic of Tanzania and Zambia.

36. Agreements between mining companies and communities that include provisions to ameliorate the negative impacts of mining are becoming increasingly common, such as in Mali, Ghana and the DRC. Revenue sharing with communities and local authorities has slowly been increasing although not yet widespread. Most governments still centrally retain all mineral revenue at the national level. Ghana, Sierra Leone and South Africa are among the notable exceptions. Overall, revenues from mineral commodities increased dramatically in 2008 due to buoyant demand particularly from China and India. What is not clear yet is how this has impacted revenue distribution and developmental priorities at the domestic level.

37. The mining sector does not generally have sufficient economic linkages in most countries. However, new policy frameworks encourage linkages, such as local procurement and employment, and small business development at both the community and national levels. Though desirable, such economic linkages are not, however, widespread with the exception of South Africa, where they are part of social and labour plans. While environmental, economic and social sustainability requires a comprehensive policy on land use, most African countries do not have provisions for land use.

38. Progress has been made in addressing health and its social impacts relative to mine workers and mining communities. This is largely attributable to improved CSR by mining companies, which offer programmes to help those suffering from HIV/AIDS, malaria and TB. These diseases pose the biggest threat to the health of mine workers, their families and the

50. The KPCS has been inadequately implemented while there is a clear need to establish similar systems for high value minerals, such as coltan and gold, emanating from conflict zones. This is not, however, achievable without real control over production areas in conflict zones. Popularizing and broadening the adoption and application of international standards, conventions and toolkits resulting from initiatives like KPCS, EITI, EITI++, International Council on Mining and Metals (ICMM), is also a challenge that needs to be addressed. While the voluntary nature of these initiatives is recognized as a systemic weakness, the grounding of these and other CSR initiatives in policy and legislation has its own challenges. These include the weak capacities of stakeholder institutions, which need to provide checks and balances, such as NGOs, community-based organizations (CBOs), and parliament. Furthermore, not all aspects of CSR are amenable to legislation.

51. ***Broad-based participation*** - There is inconsistency in the existence and/or application of instruments and systems to ensure the effective participation of impacted communities and other stakeholders in mining operations. In addition, there exists a dearth of venture capital sources for African entrepreneurs to enter the mineral sector. The risky nature of exploration and small-scale mining activities does not lend these operations to raising financial resources from formal financial institutions.

52. ***Environment, economic, health, social impacts and benefits*** - Implementation of provisions for both social and environmental rehabilitation funds provisions embedded in legislation presents capacity challenges to Governments. Similarly, capacity constraints prevent the full participation of communities in negotiating long term benefits from mining companies. While the concept is acceptable that mining communities should benefit from operations in their neighbourhood, minerals are considered to be national patrimony and are for the benefit of the citizenry. Balancing and managing conflicting local, subnational and national level concerns and interests, including deciding what form the allocation should take to promote growth and development in a particular area is therefore a challenge. Mining can also create conflict between communities and mining companies, or between small-scale miners and large mining companies, or even between government and other stakeholders. Mechanisms to identify and settle mineral-related conflicts and disputes, including addressing social, economic and religious concerns, are lacking. These need to be developed and seen to be applied fairly.

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of sustainable energy, particularly hydroelectric sources, to cater for the increasing demands from the mining sector. .

55. At the *regional* level, there is a lack of resources for the effective functioning of the continental partnerships/initiatives such as the AMP, intergovernmental forums, AUC-ISG,

and development in mining areas. The systems should also cater for the identification and amicable settlement of mineral-related confli

73. Probably, the most acute of infrastructural problems is cheap and sustainable hydroelectric energy, with most African regions currently in deficit. Currently, the NEPAD

development corridors, especially in respect of power projects; capacity support for negotiating large mineral infrastructure financing projects; capacities to boost environmental and social management practice; and assistance to small-scale mining ventures to promote sustainable and commercially vibrant mining practices.

7. Conclusions

79. Africa has made improvements in creating a vibrant and a diversified mineral sector. However, these improvements have not been sufficient to secure a sustainable sector that is socially and economically integrated into the long-term development aspirations of its peoples. This review has identified and articulated preconditions necessary for the mining sector to make a telling contribution to the sustainable growth and development of the continent, and to the reduction of poverty as envisaged by the MDGs.