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STRADE

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Africa & the European Union – Renewing Sustainable Partnerships in the Extractives Sector

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STRADE is an EU-funded research project focusing on the development of dialogue-based, innovative policy recommendations for a European strategy on future raw materials supplies. In a series of policy briefs and reports, the project will offer critical analysis and recommendations on EU raw materials policy.

This policy brief is part of a series of research articles and reports produced under STRADE. This brief summarises the discussions and conclusions from the STRADE workshop held in South Africa in 2017 focusing on recommendations on renewing Africa-EU partnerships in the extractives sector.

1. Introduction

It is important to recognise the colonial heritage of African and European country engagements from the onset, as this has shaped the current relationship between Africa's minerals, its ambitions and engagement with third countries or blocs. Within the context of raw materials, the engagement over the past centuries has largely been an exploitative one. Whilst this policy brief addresses the basis and shape of future partnerships between Africa and the European Union (EU), the historical legacy associated with African raw materials informs this discussion.

The mineral commodity price boom, starting in 2003, brought the potential of economic and social development from indigenous resources for many African countries. The AMV ([Africa Mining Vision](#)) adopted in 2009 by the African Union, set out the aims and a framework for action for African countries. The vision is based in the exploitation of African minerals in a transparent, equitable and optimal manner to deliver broad-based sustainable growth and socio-economic development through, inter alia, the realisation of opportunities from linkages from the minerals sector (backward, forward, lateral, side-stream).

Mineral resources are interwoven with many of Africa's ambitions. Apart from export and fiscal revenues, minerals can contribute to food security (fertilisers) infrastructure and construction (industrial minerals), industrialisation (both forward and backward linkages) and secondary employment and business opportunities.

The [2014-2017 road map](#) outlined at the fourth EU-Africa Summit (Brussels, 2014) makes reference to strengthening cooperation in the area of industrial development between the two regions. The EU agrees to support the African mineral sector (clause 42):

... We will support transformation of raw material at the source in order to enable them to reach a middle-income status. We shall also work toward prudent and transparent management of respective natural resources in the interest of our populations, in particular in conflict-affected areas in line with principles of good governance. In order to complement the African policies in the above fields, the EU recalls its approach to responsible mineral sourcing and proposes a dialogue on these issues. We will endeavour to cooperate in such fields as geological surveys, mineral resources governance, investments, infrastructures, skills development and waste management.

By the end of 2017, it would appear that apart from a few initiatives (such as support for African geological surveys and mineral resource governance) not much has been achieved.

The [STRADE workshop](#) in Johannesburg in November 2017, invited African experts from government agencies, mining and exploration companies, think-tanks and the civil society to discuss the current and future state of the African mineral sector. The discussions focused on articulating solutions to the challenges faced by the African mineral sector, alignment with the AMV and the possible Africa-EU partnerships that could address this vision.

The EU's current partnerships with African states in relation to their mineral sectors have been summarised in STRADE's [Policy Brief 01/2016](#), with a more detailed analysis in STRADE's [Report 02/2017](#). Such programs have included funding through Multi-Annual Indicative Programmes, funding for 'Stones for Development', the PanAfGeo geological cooperation project as well as numerous individual EU member state assistance programs.

This Brief starts with a few overarching principles informing constructive partnerships, before drilling down into specific mineral challenges discussed during the workshop. The recommendations from all sessions are summarised in the last section.

2. Renewing sustainable partnerships

The title of the workshop focused on two key words: 'renewing' and 'sustainable'. The discussion around 'renewing' partnerships stems from the near absence of EU-level projects in Africa when compared with other major industrial countries, such as Australia, Canada and China. While individual EU member states are active in the region, Africa-EU level projects remain few and far between. This was not always the case. EU's SYSMIN facilities, available in the 1986-2000 period, as well as financing from the European Investment Bank have not been replaced by new tools in the present era. The [final declaration](#) of the African Union-European Union Summit in 2017 also makes no mention of minerals, although renewable energy is mentioned as an area of cooperation.

The conduit of Africa-EU partnerships is mainly through the Economic Partnership Agreements (EPA) that are being currently negotiated, or have recently been concluded, between the EU and a number of regional African states. This includes the [EU-SADC EPA](#) (June 2016), [EU-ECOWAS EPA](#) (which has been initiated and provisionally applied since 2013), and the [Eastern and Southern Africa \(EAS\) EPA](#) currently being negotiated.

These partnership agreements are meant to replace the African, Caribbean and Pacific Countries (ACP) trade agreements previously in place. The salient feature of an EPA is the removal or reduction of customs tariffs in bilateral trade (as opposed to Partnership and Cooperation Agreements which leave customs tariffs as they are). EPAs also cover a number of sectors, both industrial and others and the mineral sector tends to be one issue within the larger agreement being negotiated. Therefore, the priority awarded to clauses applicable to the mineral and metals sector, within an EPA, may be low. This also contributes to the presumption of the EU's absence within the African mineral sector. Hence, the need to 'renew' partnerships was considered a key element of the workshop.

The second key word for the workshop was 'sustainable' and required elaboration. First, Africans do not see the historical model of African raw resources extraction purely for export as sustainable, and persisting perceptions based on this model, on either continent, undermine partnership. There was consensus that an improved skills and knowledge base, increasing economic activity (resource-based industrialisation) and adequate protection of communities and their environments will contribute to more effective and sustained resource extraction.

Second, sustainable also refers to increasing the mineral reserve base through continued exploration and modernisation, and resource efficiency in the EU and Africa. While largely the responsibility of African governments, organisations and business, these aspects of sustainable supply can certainly be supported through assistance from, and partnership with, the EU.

Third, the workshop focused on the sustainability of partnerships themselves. This concept acknowledges the need to move away from a 'project' or 'program' approach, in favour of developing long-term partnerships that are not necessarily time or budget bound. The nature of these partnerships can vary, from where either party makes an equal contribution to where one is a junior and the other a senior partner, depending on the issue under consideration.

3. A dialogue needs to go both ways

A second major underlying theme within the workshop was the importance of acknowledging that partnerships and dialogues need to go both ways. The historical legacy of the European-African relations means that often the 'dialogue' has been perceived to be based on what Europe needs from Africa. It leaves the impression that Africa's own ambitions for its minerals and the link to broad-based development have been side-lined. As the international mineral sector becomes increasingly interlinked, the impacts of European mineral policies are far reaching. For example, the EU's commitment to increased metal recycling has consequences for investment in virgin minerals in Africa. The EU's commitments to renewable energy, with the accompanying decrease in coal and uranium consumption, and increase in green metals (platinum, lithium, cobalt, etc.) filters down the production chain to African mineral assets. With the expanding use of

due diligence standards, for example for conflict minerals, there is an impact on African economies where most of these minerals are produced.

The impacts of such EU policies on African mineral ambitions are often not discussed with African partners, prior to their formulation and implementation. Therefore, the dialogue is not perceived to be bilateral.

While in 2017 Africa remained a smaller global producer of minerals (excluding few minerals such as platinum), in the future its share of global production is expected to grow. For African countries to effectively manage resource extraction and mineral value-chains in the future, the conversation around the continent's role and contributions in the global mineral sector need to be considered within partnerships. The African agenda (as per the AMV) of more strongly defining its own role, and specifically moving away from being a provider of raw materials and market for finished products, towards resource-based industrialisation, needs to be fully addressed in this conversation, together with the needs of its economic partners.

A second related issue with partnerships is the question of who is the partnership with. The difference in the political and regulatory landscapes between African and European countries can lead to different interpretations of how partnerships can work. While the majority of the discussion in this Policy Brief focuses on government to government relations, it is important to note the role of private sector companies. A number of recommendations within this workshop focused on regulating the behaviour of international mining and exploration companies (some headquartered in Europe) in African jurisdictions. While there is an acknowledgment that African governments should regulate their own jurisdictions, there is also the acceptance that few are effectively able to do so. While capacity building within African governments continues, it does raise a time-bound impetus for European governments to regulate their companies operating abroad.

This is a complicated situation – while there are some regulations in place in Europe (Transparency Directive), most standards relating to mineral operations abroad are voluntary (see STRADE [Policy Brief 03/2017](#)). The current legal framework for the EU to regulate its companies abroad is limited to non-existent; it would need to be drafted. For such an effort to take place, the EU must have the political will to do so and European based businesses must also agree to the need for such legislation. The workshop participants differed on whether such an approach for EU regulation is reasonable or viable, and whether this would ensure continued respect for Africa's autonomous jurisdiction.

4. The African vision vs. strategy

The Africa Mining Vision sets out the agreed ambitions for the mineral producers. However, the translation of the tenants of the vision into a strategy have not been as clear, though elements are found in the AMV Action Plan. Individual African countries have mineral development plans and policies as well as legislation. However, a combined African strategy, to mirror the vision, is still undocumented.

The [African Mineral Development Centre](#) (AMDC) established under the African Union was tasked to provide strategic operations support for the Vision and the Action Plan. Since 2013, the AMDC has produced a number of publications focusing on a range of issues from Artisanal and Small-Scale Mining (ASM), poverty reduction strategies, capacity building and linkages, African geological information systems and tackling illicit financial flows. The AMDC can be considered as the flagship institution to assist African countries in formalising their mineral strategies and harmonise policies across countries. However, it is still a 'young' entity with limited resources and is growing in its role to support African governments develop their strategies.

In addition to the AMDC, a number of Official Development Assistance (ODA) programs from both EU and non-EU countries support development of mineral policies in individual African countries (for a summary, please see STRADE [Report 02/2017](#)). While such projects address a number of development challenges, they tend to juxtapose competitiveness against development. As stated earlier, the AMV is a far-reaching policy statement that looks to build the competitiveness of its mineral sector and to use it to underpin wider economic growth, development and industrialisation – such that the continent is not considered simply as a provider of crude or semi-processed minerals.

However, when mineral sector projects are viewed through the 'development' lens only, they may fail to consider the competitiveness aspects. For example, to build mineral sector competitiveness, the development of the IT sector can be a major contributor. It would create high skilled employment linkages with the mineral sector as well as create the skills for economic growth in other sectors. African businesses that have matured over the past ten years are keen to take up opportunities within the mineral sector. Yet these segments are often ignored in ODA projects, which instead focus on developing linkages where local industrial capacity is limited to non-existent or focus on subsistence and small-scale firms. Therefore, the ODA derived mineral strategy may be considered to be somewhat out of sync with the AMV. Revisiting the

approach can lead to strong partnerships in the future, enhancing the African competitiveness strategy. Some of these projects are outlined in the following sections.

The rest of the Brief focuses on specific challenges and opportunities within the mineral sector and provides recommendations for Africa-EU partnerships around natural resources.

5. Enhancing linkages from the mineral sector

Backward mineral linkages refer to numerous supply chains into mining and processing, including capital goods, consumables, services and finance. The aim of supporting such linkages is to foster growth and capability in the wider economy, from mining operations. The multiplier impact of backward linkages can be large: for every dollar spent, the benefit to the economy can be fourfold or more. The development of backward linkages is dependent on the knowledge and skill set available in the wider economy, and the necessary infrastructure (transport, energy and water). National supplier development programs, led either by governments or by international mining companies, are successful when managed by strong and well-funded institutions.

Many African governments have faced challenges in crafting effective and viable local content policies. Implementing these programs is still nascent and is constrained by the small markets offered by individual states, leading to calls for regional (REC¹) strategies to achieve scale economies. But the responsibility is not with governments alone, mining companies and African businesses have a large role to play in achieving success.

African stakeholders acknowledge that at this time, it is unrealistic to aim for the local provision of all inputs into mining/processing. However, non-African counterparts must also acknowledge that the extract and export model is equally untenable. Therefore, middle-ground must be found between the two. This would require the acknowledgement that the development of linkages falls under fostering competitiveness and not under development assistance only. Various parts of the value chain (rather than the entire value chain) can be mobilised for creating domestic opportunities where the business fundamentals are already in place and can be activated.

Africa's ambitions for the long-term are to host the entire value chain in industrial minerals, continuing into manufacturing of mineral-based products and trading finished goods. There is, however, acknowledgement within African stakeholders that to push for comprehensive extraction, smelting/refining and fabrication within Africa is unrealistic at this time. Complete or near-complete value chains already exist for some minerals; for others, the immediate goals are to upscale production where necessary, and where feasible, move into the next stage of smelting/refining and manufacturing intermediate products. Increased processing will in turn create greater opportunities for backward linkages; the availability of technical skills is essential for the local realisation of such linkages.

6. Addressing the knowledge and skills gap

While a number of development assistance programs led by various countries or groupings (Australia, Canada, China, Japan and the EU amongst others) have been in place for the past decade, the structure of these programs has had limited impact. Often mining related skills development either takes place through short-term intensive training for a few, or through the placement of African citizens in foreign universities. Such initiatives have focused more on governance and taxation/legal training, with Science, Technology, Engineering and Mathematics (STEM) skills receiving less attention.

There is a shortage of skilled and employable Africans within the geology and engineering categories of the mineral sector. As mechanisation of mining operations increases, the traditional labour profiles are changing and there is a growing need for a different set of skills to be employed in the mineral sector. For the purpose of employment and entrepreneurship in backward linkage industries, basic foundations to make individuals 'trainable' as well as TVET (Technical and Vocational Education and Training) level technical and engineering skills are essential.

Availability of STEM skills is just part of the issue. To create and develop successful linkages, skills in business, contracting, planning, modelling and environmental sciences need to be improved. The mineral sector should not be viewed as an 'enclave' in terms of its skills gap. In addition to STEM skilling for Industry 3.0, Africa also needs to be complementing this with skilling for Industry 4.0 (ICT skills, etc), as autonomous mining machinery is deployed to enhance competitiveness and safety.

Additionally, there is a need to develop and augment social and political awareness within Africa about the greater role of minerals – they are not only there to provide state and export revenues. There is a tendency

¹ REC: Regional Economic Community (e.g. ECOWAS, SADC, EAC, etc)

to discuss mineral sector revenue only, often within nationalist fervour, in countries with large income disparities. The broader understanding of sustainability in the mining context as well as resource efficiency, requires a wider range of academic and training programs for the youth in Africa.

The current academic curricula within most African universities needs to be revised and updated – in most cases it is not vetted by the mining and supplier companies who can better define what skills they will require in the future. In addition, the need to ‘scale-up’ skill acquisition and mobility means such endeavours would benefit from regional cooperation, rather than just at the country level. Regional centres of excellence could optimise the use of resources here, while regulation allowing skills mobility are necessary to support industrial development on regional scale.

7. Key mineral feedstocks for African development

Mineral feedstocks refer to raw materials required for domestic consumption that feed economic growth, making industrial minerals, such as limestone, clays, aggregates, gypsum, phosphates, nitrates and potash of growing importance in Africa. The minerals are consumed in the construction and agricultural sectors, as well as manufacture of capital equipment, vehicles and industrial products such as ceramics, plastics, glass, paper, detergents etc. As GDP and consumer demand increases, Africa’s stock of industrial raw materials becomes a major contributor to its growth.

These minerals generally exhibit a weight-to-price ratio that is not suited for transport across long distances – they are routinely traded within a limited geographical range. Given Africa’s high logistics costs, mineral feedstocks are often part of domestic or regional trade only.

The [Development Minerals Program](#), an ACP-EU initiative, is already in place to support small-scale miners, public institutions and communities operating in the low value minerals sector to support the inclusion of industrial minerals in national development planning. Workshop participants suggested that these programs now need to expand beyond assisting small-scale producers and isolated projects. Industrial minerals need to be developed as feedstocks for industrialisation and require broader national and regional planning. The importance of scale and creating regional markets is absolutely essential to supplying the minerals required by African growth.

These minerals are essential for the infrastructure and food security requirements of the continent, which in turn would spur market access and economic benefits for a larger geographical region. Given the history of industrial minerals, where they have largely been produced by small-scale operations, there is a clear need to balance the legitimate role played by these operator with the need to move to large-scale production. Supporting partnership programs between small and large-scale producers may work well in this instance.

8. Mitigating environment, human rights and social impacts of mining

The human, social and environmental impacts of mining activity is often considered under ‘soft law’. The joint responsibility towards this area needs to be recognised by all parties – it is simply not enough to task the mining companies alone to do the needful. Trust, ownership and partnership are the key elements to bringing about such joint responsibility. This does not take away from the importance of effective enforcement measures (whether punitive or otherwise) that are also required to mitigate the impacts of mining activity.

Performance Standards. Within the African experience, strategies to mitigate damage are usually based on statutory requirements, often with the minimum standards being implemented. Where international standards are being followed, they often ignore the local context – making their application inefficient. For example, compensation for land and livelihood opportunities are often inappropriate or unsuccessful. Local procurement policies by mining companies have frequently been found to serve a political rather than an economic purpose, and to cement mine relations with the local elites rather than local communities. There is also the observation that when there are conflicts around mining operations, the national government often tends to align with the mining company rather than its aggrieved citizens.

Responsible mining practices at the project level will differ from company to company and are consequently unevenly applied across mines, even in the same country. While most international mining companies will subscribe to specific international standards on health and safety and the environment, these can differ (such as between ICMC Principles and IFC Performance Standards). There is potential value in developing a shared standard for African operations for all companies, with areas of flexibility for local conditions. The AMV Action Plan contains a framework to detail standards for project level practices that can aid in this endeavour.

Environment and Social Impact Assessments. While EIAs have become a standard requirement in most mining jurisdictions in Africa, the quality of these assessments varies. In some cases, proper environmental

strategic assessments are not undertaken by national governments, setting a bad precedent for other domestic stakeholders. EIAs undertaken by mining companies are not always assessed for their objectivity or quality as there are only a few independent institutions with the experience to do so. Most African environmental agencies are very poorly resourced in human, technical and financial capital. There is also the added danger of such weak institutions being open to undue influence from large mining companies, corruption and weak accountability. Without adequate skills and resources, policy implementation will not be effective.

Environmental and Social Impact Integration. Generally, the approach to environmental impact is poorly integrated with other aspects of social and economic planning. The environmental costs of mining activity – such as those on the ecosystem, social costs (and benefits) are often not factored in appraisal models. Their inclusion would contribute positively to decision making on granting mining licenses. This lack of integration is also evident in the poor implementation of mitigation strategies. Where policies do exist, they tend to be reactive rather than proactive.

Mine Rehabilitation. The issue of mine rehabilitation is not a new one in Africa, although its reflection within policy, regulation and implementation is still lagging. There is increasing awareness of the need to integrate such planning from the mine's inception, rather than when it nears closure. A mining company has to recognise that it is a 'steward' of the land, resources and the community. There are some good examples of this already: Sibanye Gold in South Africa is planning to provide its retrenched labour with access to mine land and water supplies for agricultural purpose, continuing after the mine has closed. However, much more needs to be done, whilst mines are still extant, to develop post-mining livelihoods. The extensive EU experience in this regard could assist in African solutions.

9. Support for Artisanal and Small Scale Mining

Artisanal and Small Scale Mining (ASM) minerals in Africa tend to fall within two main product groups: high value minerals that are mostly beneficiated and consumed outside of Africa and low value non-metallic raw materials consumed locally². Accordingly, ASM is an international concern and not only a local one. Within African countries, the variety, scale and methods used in ASM vary greatly. In some countries, ASM is legal while in others no such regulatory protection exists for the sector. The social context in which such activity takes place is diverse.

Nevertheless, there are broad trends in the sector and similar concerns with social and environmental impacts. Major challenges faced by the ASM sector include: conflict over alternative land uses, uncontrolled transfer of licenses and mining activities undertaken by migrants (both legal and illegal).

The contribution of the artisanal mining to generate rural livelihoods is an important one; the question around the future of artisanal mining has consequences. To 'replace' the sector with more formalised and small-scale activity may seem an obvious one, but this is not a straightforward solution. Some experts would argue it is not even an ideal solution. Not all artisanal mining can or should be scaled up, though some can benefit from formalisation and increased scale. The issue of formalisation is also not a straightforward one, with a gap between what is ideal and what is realistic. For others, strategies could consider the options for long-term micro-scale and artisanal mining practices to continue.

Support for the sector covers a range of issues, from legalising ASM activity to offer miners better protection and creditworthiness, to assisting miners in accessing geological information, technology and skills. Other challenges can be addressed by managing the relationship between artisanal miners and large scale mining companies that often operate in the same region.

There are a number of solutions to the challenges faced by the ASM. It must be remembered that one size does not fit all, and the context of the ASM activity will define the nature of the support provided. The sector should be considered for the contribution it can make to the economy. ASM should also be considered within a holistic rural development program rather than a stand-alone sector to be addressed. Linkages from the sector, such as equipment used specifically within ASM, can lead to secondary business generation; for example, mills for ASM use are being manufactured in Tanzania and exported to neighbouring countries. Use of IT, through mobile phones, to apply for or transfer licenses can generate better information. Financial institutions from the private sector can provide loans and credit services. Certification, one of the demands from the international community, can lead local firms to train, monitor and develop such systems for ASM regions. STRADE addresses ASM issues in more detail in a separate Policy Brief (09/2017).

² ASM here refers to the variety of mining operations that are labor-intensive, poorly mechanized and not centrally planned. See STRADE Policy Brief 09/2017 for further details.

10. Recommendations for development assistance in raw materials

Mineral-rich African economies have made significant progress in terms of governance and addressing economic and social aspects of the mineral sector over the past decade. Yet, there is much to be done to ensure that mining and mineral value chains play a positive, transformative and sustainable role on the continent. External support for the broad mineral value chain complex will help ensure healthy and productive mining industries across the continent, with sufficient production for continental and export markets. Much of this support can take the form traditional development assistance, and the following actions are recommended:

Supporting Joint Ventures. Programs and projects could support EU based companies to associate with domestic companies, in order to gain market access. The reality is that the development of backward and forward linkages will, in many cases, require capital, skills and technology not currently available on the continent. Joint ventures provide the opportunity for win-win engagement by EU-based companies, which could include elements of supplier development, capacity building and promotion of local entrepreneurship. From their side, African governments would need to ensure a regulatory environment friendly to the necessary movement of capital and human resources.

Information on suitable partners, their capacities and core activities can assist in the establishment of joint ventures, while information on what key products are already produced locally can create better linkages (also see Creating Market Intelligence below).

Supplier Development Programs. The promotion of supplier development programs is not new to the African mineral sectors; a number of mining companies, in association with governments, already undertake such projects. For example, the [Ghanaian National Supplier Development Program](#), launched jointly by the AMDC African Centre for Economic Transformation (ACET), and the German Federal Institute for Geosciences and Natural Resources (BGR) in 2017, means to not just create linkages but deepen them. However, often supplier development programs have not done well, with the attrition rate of SMEs in such programs noted to be quite high. A different approach to supplier development projects is required; one that focuses as much on the technical and innovation side of things as it does on business skills. Access to finance remains a significant barrier for increased local suppliers to enter the mining value chain.

Part of this change must also focus on the 'competitive' rather than the development angle of supplier development projects. Research and outreach activity needs to showcase to foreign companies the competitive value of locating suppliers as well as operations (for equipment and service producers) in Africa.

Research & Development Innovation Partnerships. Future collaboration could focus on partnering African based research entities and universities with EU counterparts. This can be achieved through supporting the establishment and support to regional centres of excellence. To support R&D within the African context, such activities need to be carried out close to mining regions.

R&D activity can also benefit from joint research ventures between EU and African institutions. Whereas currently the flow of academic placement has been one way (African students in EU universities) this should change to a two-way flow, with European scientists supported to spend time at African institutions. Such placements could also be made for civil servants and other actors in the mineral sector. For example, the German government's [CIM Programme](#) allows for the placement of European experts in (mainly developing and emerging) country institutions. The Australian government has a similar program that funds the placement of Australian specialist volunteers in ministries and other institutes abroad.

Standards for Best Practices. Another key initiative would be to support the AMDC in setting (derived) standards for mineral production that are fit for purpose in African countries. More research needs to be undertaken to gauge the appetite for African standards, by Africans. These standards would be expected to cover environmental and social impacts as well as human rights issues.

It is important to note that while the EU is invited to support and facilitate the drafting of such standards, this must be an African led initiative. This will serve two purposes – first with African ownership the standards will tend to have longevity. Previous experience has shown that foreign initiated principles tend to lose steam, once the political personalities backing the initiative move on (for example Tony Blair and The Make Poverty History campaign). In contrast, the Africa Mining Vision, under the African Union, continues to be an important policy document that is used by all African countries. Second, international best practices have often emerged from experiences in either industrial countries (Australia and Canada for example) or from Latin America (where community advocacy is much stronger than in Africa). Therefore, while these standards are based on sound principles, their implementation may not always be suited to the African political and socio-economic landscape. Mitigation strategies drawn from African experiences should be much more beneficial.

The drafting/compilation of such standards however is not the major challenge, it is the monitoring and implementation of these best practice principles. The EU's own experiences in monitoring environmental legislation compliance can be the grounds for collaboration in this area. There is also need for financial support for African environmental agencies, which have low resources. The drafting of strict penalties, accompanied by strong institutions that can support them can take the mitigation impact discussion beyond advocacy.

The question whether the EU can play a role in holding its companies to account – for their operations abroad- was a contested one. It is as much around political will as it is around legal jurisdiction. EU Directives avoid 'extra-territoriality'. While no conclusions could be reached within the workshop, the issue of standards and implementation is addressed under other STRADE reports: [Policy Brief 03/2017](#) and Report (forthcoming).

Expand Support for Human Resource Development. Collaboration and funding for supporting skills development needs to continue, but the focus needs to shift to more long-term, domestic capacity building programs. The scope of the skill set crucially needs to expand to include more STEM skills as well as the 'soft' skill sets of business competence, environmental and social impact subjects. 'Twinning' arrangements can have great value at university level. In addition, attention needs to be given to the efficacy of basic and technical skills level education – both essential to industrialisation.

Support could be lent to the formation of regional qualification networks, where common standards/certifications can testify to the skill level of individuals. Such an endeavour will facilitate skill and labour mobility across various regional mining areas, addressing the shortage of skilled Africans in the mineral sector.

The Resource Corridor Approach. The resource corridor approach is not new to the African continent. Based on the concept of mineral resource extraction being a 'conduit' rather than an end itself, the approach requires strategic planning to link infrastructure, business and finance development as well as rural and agricultural projects to natural resource extraction. The approach has been advocated by the African Union, UNECA, OECD as well as the World Bank in various guises. The strategy can deliver on wide spread economic and social gains using the resources infrastructure (particularly transport), however it requires promotion of regional thinking and funding to be successful. China's Belt and Road initiative may well address some of these strategies and the EU should consider collaborating with other international actors to contribute to the resource or development corridor approach advocated by the region.

As part of this approach, the technologies and standards for increasing productivity and effective extraction of industrial raw materials and development minerals can also be improved. This needs to take the form of transfer or creation of knowledge and wider dissemination of such knowledge. Given Africa's ambitions to utilise its own resources for development, improvements in industrial raw material production and logistics costs can be incorporated under the resource/development corridor approach. Where corridors cross national boundaries, which they often do, a regionalisation of markets can occur, which is a necessary condition for production of key industrial feedstocks and the development of backward linkages.

Artisanal and Small-Scale Mining. While other STRADE reports/policy briefs will look at specific recommendations for ASM, it is worthwhile to mention three here. The first is to build on the success of the PanAfGeo³ services project between the EU and Africa that focused on large-scale mining. The geological data can be expanded to cover and cater to the ASM zones as well, thereby providing valuable information for the ASM sector.

The second recommendation is to consider certification schemes for ASM production, which adhere to best practice standards. While recent EU regulations have been drafted to cover conflict minerals, some of which are through artisanal mining other minerals – such as gem stones – could benefit from directed certification. The AMDC is currently working on a scheme to certify gems other than diamonds and rubies and metals other than coltan and gold (e.g. tin and tungsten). This would have a positive impact on the trade of such minerals (as opposed to falling outside of certification due to fear of conflict minerals) and improve the revenue earned by artisanal miners. Certification processes, along with other measures, can ensure artisanal miners receive a fair payment for their product, as opposed to what they may receive from unregulated traders and middle-men.

Finally, development assistance projects must not presume the flow of technology and knowledge is one way – research that highlights the African expertise in ASM should be shared with other countries and regions as well. The traditional skills and knowledge of some artisanal miners can contribute to wider understanding of environmental and social impacts and their mitigation. For example, mercury-free gold mining techniques have been traditionally applied in parts of West Africa for centuries.

³ Geological Knowledge and Skills in African Geological Surveys

Broad-based Growth. The mineral sector needs to be approached on two levels, first are initiatives aimed directly at the mining project (most have been discussed above) and the second is situating it in the wider economic planning and strategy. For example, ASM projects should be considered as part of wider rural development projects, rather than just under the mineral sector. Industrial minerals and those that support agricultural development (such as phosphates) should be considered as one ecosystem rather than as discrete sectors. Mineral sector initiatives need to be move away from piece-meal, silo projects to coherent and integrated strategic development plans, as per the AMV.

This integration also needs to make use of current EU instruments, instead of seeking new initiatives. For example, the [European External Investment Plan](#), and the strategic priority for 'Investing in People education, science, technology and skills development' under the 2017 EU-Africa summit.

One issue that is of high priority, and was raised but not discussed during the workshop, was around financial flows. There are strong African concerns around illicit financial flows as well as transfer pricing, particularly related to raw materials sector. This includes concerns where international finance companies continue to lend/invest in mining companies that are not compliant with meeting international best practices in their operations. The STRADE research team deemed this to be an important topic, however time and resource limitations have not allowed for the team to treat this in full. Therefore, it was not fully discussed within the workshop.

[Economic Partnership Agreements](#) (EPAs) was another issue that was raised several times but was not on the agenda. There are concerns that EPAs (currently being negotiated and implemented) constrained the ability of Africa to use export restrictions to develop their mineral linkages, as per the AMV. The STRADE research team, unfortunately, does not have the resources within this program to pursue this area of research.

11. Recommendations for Africa-EU partnerships in raw materials beyond assistance

In summarising the potential Africa-EU engagements it is important to draw a distinction between issues that should be considered under the lens of the traditional engagement model (informed by development assistance) and those that can be viewed as true partnerships. Between these two is a middle area where the EU can act as facilitator rather than a primary participant.

We summarise potential Africa-EU partnerships here, based on single/multiple interventions that can address a number of the challenges outlined above.

Regional Centres of Excellence. It must be appreciated that Africa has 54 countries, and is geographically large enough to fit China, India, the USA and most of Europe, combined. The regional diversity therefore suggests that regional centres of excellence could serve the needs of different countries. Regional centres are not a unique idea, and have been adapted in other countries in Asia, Europe and Latin America. A regional centre can act as a hub for researchers, financiers, mining companies, businesses, environmental advocates and innovation. Regional hubs can also promote skills development and training and create cross sectoral linkages with other industries. They can act as a point of contact for international actors and focus on developing and refining African skills and capacity. They can also act as a focal point for EU actors (both private and public sector) to engage with.

Africa-EU Partnership on Green Technologies and Raw Materials. In such a partnership, EU experts working with African counterparts can identify the raw materials (including EU's critical raw material list) that are required for the future. The work can expand into discussions on renewable energy and other green technologies that can be adopted in both regions. The approach considers a long-term dialogue that focuses exclusively on mutual areas of benefit and develops project streams.

Africa-EU Partnership on Mining Technology. Given the discussion on linkages and industrial development and its importance to African growth, an Africa-EU technology partnership is proposed. The partnership can focus on STEM skills development as well as R&D. It can address technology development issues in ASM as well as environmental sciences. The partnership can also assist in developing collaborations between European equipment and service providers and African businesses. As noted earlier, technology knowhow can flow both ways, and European institutes can benefit from the experiences of their African counterparts. As mentioned in a previous STRADE Policy Brief ([04/2017](#)), European mining equipment manufacturers need to work closely with operating mines and such a partnership can provide access.

Value Propositions – Articulating Mutual Benefits. Moving away from the development assistance model, African countries need to design and offer 'value propositions' to the EU. This involves outlining the costs and benefits of Africa-EU raw material engagement beyond the 'donor' relationship. Factors can include

creating enabling business environments which can benefit both domestic and foreign firms. While African firms can benefit from joint ventures with European firms, the opposite is also true. Having local business partners can allow the latter to expand their markets and utilise new business opportunities.

Creating Market Intelligence. One major area of cooperation is the creation of, and access to, market information. This can range from country case level studies around mining clusters, availability of skilled labour, available technologies, SMEs as well as larger enterprises and their product/service offerings. This can also include information from geological surveys, local industrial mineral resources etc. The issue of market intelligence is not just around creating a data set. It also requires research and analysis to be pulled together. There are a number of private and government-based initiatives that are attempting to do just this, as well as from the OECD and UNECA. However, such databases are not well formed at this time, and may be considered as part of a long-term partnership, either through the AMDC or with the African Union.

Developing Protocols for Conflict Minerals. Going forward there should be a partnership between the EU and Africa in developing regulations and certification for conflict minerals to build on the current KPC (Kimberly Process Certification), WGC (World Gold Council) and ICGLR (International Conference on the Great Lakes Region) schemes and to include semi-precious minerals in a revised EU Conflict Minerals Regulation (2017/821) which is due to come into effect in 2021.

12. Conclusion

This policy brief offers a summary of the rich discussion that took place during the workshop in November 2017. This document cannot truly reflect all the discussions over the two-day period, as there is always a difference in the spoken and the written word.

African experts, with decades of experience within national, regional and international mining sector spoke to a number of issues. One trend was clear within these discussions; the understanding of the issues facing the mineral sector and the possible solutions are well understood. However, there is not always agreement on the answers and a healthy debate exists around the next steps. Africans are keen to take their own path and drive their own solutions, through partnerships. Unfortunately, the two-day workshop did not have sufficient time to prioritise and fully develop the shape and scope of such partnerships.

Most African's recognise that the mineral sector offers them the resources and opportunities to move their development agenda forward. They also acknowledge that certain sectors still require assistance from the EU and other countries. However, such assistance needs to move away from the 'donor-agent' relationship in the future. For a true partnership to emerge, that is both sustainable and is of mutual benefit, there needs to be a true dialogue between Africa and the EU.

Project Background

The Strategic Dialogue on Sustainable Raw Materials for Europe (STRADE) addresses the long-term security and sustainability of the European raw material supply from European and non-European countries. Using a dialogue-based approach in a seven-member consortium, the project brings together governments, industry and civil society to deliver policy recommendations for an innovative European strategy on future EU mineral raw-material supplies.

The project holds environmental and social sustainability as its foundation in its approach to augmenting the security of the European Union mineral raw-material supply and enhancing competitiveness of the EU mining industry.

Over a three-year period (2016-2018), STRADE shall bring together research, practical experience, legislation, best practice technologies and know-how in the following areas:

1. A European cooperation strategy with resource-rich countries
2. Internationally sustainable raw-material production & supply
3. Strengthening the European raw-materials sector

Project Identity

Project Name	Strategic Dialogue on Sustainable Raw Materials for Europe (STRADE)
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