

Emerging trends in West Africa's natural resources sector

Countries in West Africa generally have primary environmental and mining legislation that reflects modern sustainable development paradigms. Ghana has relatively well-developed subsidiary legislation to support practical implementation of the law by the mining sector, but in most other countries this is still being developed. The effectiveness of enforcement agencies is variable. Ghana is a progressive example; however, resource and capacity constraints are common among these institutions in many countries. Pressure to comply with legal obligations and incorporate good international industry practice can be expected to increase in West Africa, as is the case in other parts of the world.

Through SRK's multi-disciplinary work in West Africa, it is clear that greater transparency and inclusivity in stakeholder engagement are among the demands that mines will increasingly face. This means more comprehensive management of impacts on communities and sensitive environments, and different approaches to managing key issues like artisanal mining and involuntary physical and economic displacement.

Some countries are developing national frameworks to guide resettlement planning processes, ensuring a strategic and systematic approach. Physical displacement of people has become a central public concern in large infrastructure projects but it is also relevant to the way mining impacts on local communities. The restoration of livelihoods is increasingly a core issue requiring attention by mines.

Another important and developing area of the legislative framework for mining in West Africa is mine closure and social transition. Good international industry practice advocates early and ongoing closure planning – alongside consultation to facilitate the transition of local communities and stakeholders from mining to a sustainable future. However, closure

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legislation is not well developed in most West African countries; several mines have highly conceptual closure plans, unrealistic closure cost estimates and are generally not required to provide regular updates. Implementation of the laws is variable due to many challenges – not least the impacts from illegal mining which are pervasive in the region. There are also issues of capacity and corruption. Furthermore, financial dependency on mines results in a reluctance by local communities and mine workers to accept that the mine will close.

Mines will increasingly have to address climate change as part of their environmental and social impacts, as West African governments move to develop and refine their climate change policies, plans and legislation.

Already, climate change issues are addressed in the lending conditions of many international finance institutions – who require project options to reduce pollution and greenhouse gas emission reduction, and to improve resource efficiency to support responsible investment in developing mining projects. They also consider mining companies' governance and corporate policies. Climate change risk assessments will be mandatory for larger projects in the revised Equator Principles 4, currently in draft form.

Fostering this direction has been the 2015 Paris Agreement. West African countries have ratified this and are advancing global warming adaption and mitigation strategies. Each country has set out a range of 'climate actions' – or nationally determined contributions (NDCs). Countries in the region are now refining the NDCs, aligning these with the UN Sustainable Development Goals and establishing processes for climate action monitoring, review and reporting. Support for this process – and implementation – is being provided by international agencies. Existing and new mining projects will need

to consider their climate impacts in the context of the host country's NDCs. Particular attention will need to be focused on deforestation, greenhouse gas emissions and climate change adaptation.

Future revisions to climate change laws are likely to require established mining operations to reduce reliance on fossil fuels for power generation, and to consider more energy efficient and innovative alternatives. This will require capacity building in some sectors, and policy support from government.

New mining projects will also have to pay attention to avoiding climate change and biodiversity impacts at a much earlier stage of development, and demonstrate consideration of numerous project development alternatives in the pre-feasibility stage. Unavoidable impacts will require more detailed justification, with off-setting only accepted as a last resort. Climate change trends such as water shortages and flooding may also exacerbate impacts on sensitive ecosystems and vulnerable communities.

Changes are already visible in the mining sector's strategies. Increasingly, major mining companies are implementing low

carbon options such as hydro, solar and wind power generation and electric vehicles. As this technology improves and its cost decreases, it is likely that renewable energy projects will become more widespread in West Africa – as capacity and implementation issues are overcome. Market forces are also likely to render these low-carbon options more readily available as small-scale installations, which may benefit their application in the region.

West Africa's mineral wealth continues to hold significant potential for investors. The focus is now undoubtedly on guarding against social and environmental exploitation – which calls for innovative strategies and specialised skills.

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