

# Regional Mineral Beneficiation Policy Interventions in the SADC: Stakeholder Perspectives

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**Abstract:** *The Importance of Mineral Beneficiation:* Mining is a significant economic activity in most Southern African Development Community (SADC) countries, and mineral beneficiation has been identified and controversially discussed as one of the possibilities for industrialisation. The purpose of this article is to study mineral beneficiation policies and practices in the SADC countries with regard to the regional developmental agenda.

*Methodology and Interventions:* With many member countries being economically too small to muster the human and financial resources, the recently adopted Regional Mining Vision (RMV) envisages interventions at a regional level. This study followed a qualitative approach with semi-structured interviews across the region mainly in English and seldom in French.

*Principal Results:* Twenty-five semi-structured interviews were conducted with experts from SADC member countries during the 2019 Mining Indaba. Participants were divided on whether beneficiation should be carried out nationally or in the SADC region. While beneficiation could support value-keeping, key challenges named were infrastructure development (i.e. energy, water), scarce skills, access to technology and related cost, but also lack of free trade and movement.

*Conclusion:* We submit that a more integrated beneficiation strategy for the SADC region, as was being developed through the RMV, would indeed be relevant in the future.

**Keywords:** Mineral beneficiation, Regional integration, Beneficiation policy interventions, African mining vision, Mining, SADC.

## 1. INTRODUCTION AND BACKGROUND

Mining is a significant economic activity in most Southern African Development Community (SADC) countries, accounting for more than 10% of GDP in four members of the 16-country block (Angola, Namibia, Botswana, Zimbabwe) and contributing 2/3<sup>rd</sup> of all export value from the region over the decade 2007-2016 (incl. Angolan oil). It makes up more than 90% of export value in Angola, Botswana and the DRC, and between 40 and 75% in six other member countries (Tutalife & Jourdan, 2019). The degree of local value addition through extraction, refining and manufacturing varies, with esp. ferrous minerals often exported in concentrate form, and non-ferrous metals produced locally generally not used in domestic production, with the exception of South Africa. Until the recent adoption by the Council of SADC Mining Ministers of the Regional Mining Vision (Tutalife & Jourdan, 2019), there was no coherent and effective approach to beneficiation in use at the SADC regional level.

### 1.1. Beneficiation or Value Addition

Beneficiation is sometimes referred to as the process of concentrating valuable minerals from other mined gangue materials, through crushing, sorting and separation processes - activities more correctly referred to as 'primary processing' or indeed 'mineral processing'. More correctly, beneficiation location choices only really present in most mineral extraction processes at the point of extractive metallurgy (smelting or wet processing and refining), if concentrates are valuable enough to justify transportation. This differs from what is known as downstream value-addition, which stands for activities such as fabrication and manufacturing.

### 1.2. Strategies and Beneficiation

There are many documents on beneficiation strategies in SADC member countries (e.g. SADC, 2015; Department of Mineral Resources, 2017) and the African Union has its own African Mining Vision (African Union, 2009) as well as its Agenda 2063 in which beneficiation economics are outlined (African Union, 2009). The academic literature, however, is critical of many of the current national policies of

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beneficiation (Pongsiri 2002; Davies, 2014; Solomons, 2014; Gapa, 2017). Likewise, while mining companies are encouraged to beneficiate, the lack of creativity in dealing with the beneficiation call has been critiqued in the business world (Davies, 2014).

An opportunity arose at the Mining Indaba 2019 in Cape Town to engage SADC mining industry role players on their experiences with beneficiation activities, plans and policies in the region. This paper seeks to present and analyse what mineral industry professionals in the Southern African mining industry think about national and regional opportunities for and policies on beneficiation.

## 2. LITERATURE REVIEW

Since beneficiation is an industrial and economic activity, the following beneficiation theories are selected for this study: economic theory of beneficiation; political theory of beneficiation; mixed theories of beneficiation; and applied beneficiation theories. It is not easy to undertake beneficiation, as raw materials production does not give one a real advantage over other countries (Johwa, 2018; Gylfason, 2004) for downstream activities or throughout the value chain. What gives a company an advantage would be a move towards forward integration – a company purchasing downstream actors in order to exercise control over the value chain (Johwa, 2018).

### 2.1. The Economic, Political and Mixed Theory of Beneficiation

While the economic theory focuses on economic activities, the political theory looks into the balance of power. Mixed theories are about combining the two. Since beneficiation is discussed for economic development, theories leaning towards the economy will be elaborated. One aspect of the economic theory related to beneficiation is how mining-related industrialisation can be achieved by downstream beneficiation vs. upstream purchasing practices. The two theories followed together would advance economic development if run properly. Downstream beneficiation potentially offers economic benefits to the country involved. It is possible to create jobs and develop the country through beneficiation initiatives provided there is infrastructure to support that (Fasheun, 2010) such as advanced technologies. The need for sustainable development is evident in the mining industry (Lusinga, 2011) but beneficiation remains the issue across the SADC region. Opponents

claim that structural changes should be made to avoid shock waves from an already distressed mining industry. Countries that are well-endowed with geo-resources potentially advance socio-economic development through downstream mineral beneficiation (Chitaka *et al.*, 2018).

Government resource-based industrialisation policy is key to scaling up linkages from downstream, upstream, and side-stream activities. They may require very significant social capital development, particularly for downstream beneficiation, which has less of a direct business benefit and logic than supply-side industrialisation, as shown by Kato (2017) in his analysis of the aluminium industry in Richards Bay, South Africa.

#### 2.2.1. The Resource Curse Danger

The Extractive industries have become a major growth driver for many countries in Africa – the SADC region is not left out of the spectrum. The overreliance on minerals and other geo-resources makes the countries prey to the resource curse trap (Nichols, 2018; Ojakorofu, 2018). This is one of the challenges that policy makers ought to address in SADC countries and AU in general (Bhorat *et al.*, Nd).

Jones (2012) argues in favour of mixed theory of beneficiation. That author believes for example that China's activities in buying up mines in the African continent should be both political and economic. In fact, poor beneficiation policies and implementation thereof rob the economy a lot. It can, in fact, have a destructive role to the economy (De Beers, 2014).

Beneficiation may require access to scarce physical resources. In this regard, Lockhart (1984) demonstrated that water shortage affects beneficiation practices. Beneficiation by hydration requires access to water during the operations. Countries such as South Africa, Botswana and Namibia (unlike the DRC) find themselves in a water scarce situation that needs effective planning and provisions for water for consumption and industrial use.

#### 2.2.2. Beneficiation in African Economic Policy

A country's industrialisation or 'industrial development' is a factor of manufacturing extension. A sound beneficiation policy ought to address both downstream and upstream linkages issues holistically. Beneficiation is about value addition (The beneficiation strategy, 2015) and is a government policy in South Africa (as opposed to the nationalization of the mines).

The African Union promotes the Agenda 2063 and its African Mining Vision (AMV) which support beneficiation plans and practices.

### 2.2.3. Beneficiation Schools of Thoughts

Usually two school of thoughts stand out when it comes to beneficiation and their position are lucid (or silver-tongued): Proponents' and opponents' school of thoughts. Most politicians in the SADC countries are among the proponents of beneficiation practices. On the other hand, opponents are mainly found amongst economists and industrialists, although, even within these sectors, there are different views. Opponents argue that beneficiation should be limited or stopped because it is usually done to the detriment of other much needed economic activities such as maximizing primary minerals production; upstream service industries such as manufacturing of supplies and services for and around a mine. Be it as it may, the case of opponents is opposed by proponents vehemently (Corrigan, 2019).

### 2.2.4. The Need for Beneficiation Infrastructure

Among the proponents, Baissac *et al.* (2015) studied a variety of aspects including beneficiation and are of the view that beneficiation is key to economic development, provided there is the infrastructure for it. The African Union (AU) Agenda 2063 also promotes mineral beneficiation policies in Africa – the SADC is not exempt to such an influence. There are studies that dispute what Baissac *et al.* (2015) stipulates about beneficiation. It is posited that beneficiation should be one of the major economic activities. Isheloke (2018) studied mineral beneficiation from a different angle from the South African perspective and found that more needs to be done still. Both proponents and opponents of beneficiation agree on the need to promote cross border commodity trade throughout the SADC region.

## 2.3. Beneficiation Opportunities and Challenges in the SADC Region

Integrating the SADC region economically is one of the challenges that the organization faces, and the lack (until recently) of a sound common mineral beneficiation policy does not make it any easier to member countries. Figure 1 shows the SADC region and its size. In our cursory analysis, it could take advantage of several multi-country beneficiation opportunities, including cross-border engagements between Zambia and the DRC (Katanga) for copper (and cobalt); between Zimbabwe and South Africa for

PGM; as well as Namibia and South Africa for Zinc. Despite the distance, opportunities for trilateral trade and cooperation on heavy mineral sands (HMS) among South Africa, Mozambique and Madagascar could also be enhanced. Last but not least, the SADC could benefit as well from multiple states' relation on diamond polishing to improve value addition and extraction in the region. Countries forming the last group are Namibia, Botswana, South Africa, Lesotho, Zimbabwe and the DRC.



1000 km



**Figure 1:** The SADC region (Adapted from Nshimbi and Moyo, 2017).

Pallotti (2010) examines the economic strategy used in the SADC before the democratic dispensation in South Africa and the SADC Trade Protocol and neo-liberal approach to industrialisation, in the dawn of the African renaissance and Pan-Africanism, and in the post-colonial era. The SADC policy formulation has been influenced by a more liberal and market-oriented way of commodity trading – a primary aim of inter-state economic relations in the region. In addition, the author questions the importance of regional development potential of the market-driven integration promoted by the SADC. Consistent with Hurt (2000), Pallotti (2010) compares trade conditions in South Africa prior to and post democratic dispensations. In the old dispensation, EU has been the biggest trade partner of South Africa before China rose to the first position (Hurt, 2000). Actorness influences the SADC's ability to navigate international trade negotiations effectively and a

common policy would make this endeavour more effective. It would enable member countries to formulate collective goals and to reach negotiated solutions to challenges in the implementation or decision-making process (Hulse, 2017).

#### 2.4. Indigenisation and Beneficiation in Zimbabwe

Hausmann *et al.* (2008), cited in Corrigan (2019), argue that beneficiation is as pervasive as limited as a policy paradigm in South Africa. Baissac *et al.* (2015) posit that the policy in Zimbabwe entailed both indigenisation and beneficiation and has found broad support in regional initiatives like the African Union's African Mining Vision (AMV). Mungoshi (2011) studied beneficiation in Zimbabwe – a study which demonstrates that a different approach to South Africa was followed. The Indigenisation policy was established in order to support the beneficiation endeavour (Abedian, 2013) as cited in Baissac *et al.* (2015). According to Leiman (2007: 43): “political sustainability is the crucial component of the problem”.

Lusinga (2011) and Uys and Webber-Younman (2019) studied beneficiation technologies from economic and environmental perspectives and showed how complex the operations are. There are numerous literature on beneficiation in the SADC countries (Jordens *et al.*, 2013; Lockwood, 2016; Corrigan, 2019) but a gap exists when it comes to effective integrated

policy of beneficiation for the entire region – and that's why investors are needed (Dludla, 2017).

#### 2.5. Beneficiation, Incentives and Legal Matters

Recent proposed amendments to promote beneficiation within the Minerals and Petroleum Resources Development Act (MPRDA) significantly increase the legislative control over South Africa's mineral (Baissac *et al.* 2015). Forcing beneficiation through legislation and regulation rather than through incentivisation schemes, as the Zimbabwean government attempts to do, appears to carry significant risks and could have several unintended negative consequences. Over the years, however, government incentives have grown, particularly in trying to encourage certain manufacturing industries. The automotive sector, for example, has been heavily subsidised and the incentive schemes continue to attract new investments (Baissac *et al.*, 2015) – it is the biggest manufacturing sub-sector in South Africa. The SADC Regional Mining Vision (RMV) as adopted in 2019 is a comprehensive framework for regional resource-based development and is presented in Figure 2.

It is noted that the RMV pays attention to all three industrialization pathways related to the minerals industry. Very significant economic value has been documented for backward and upstream linkages, with

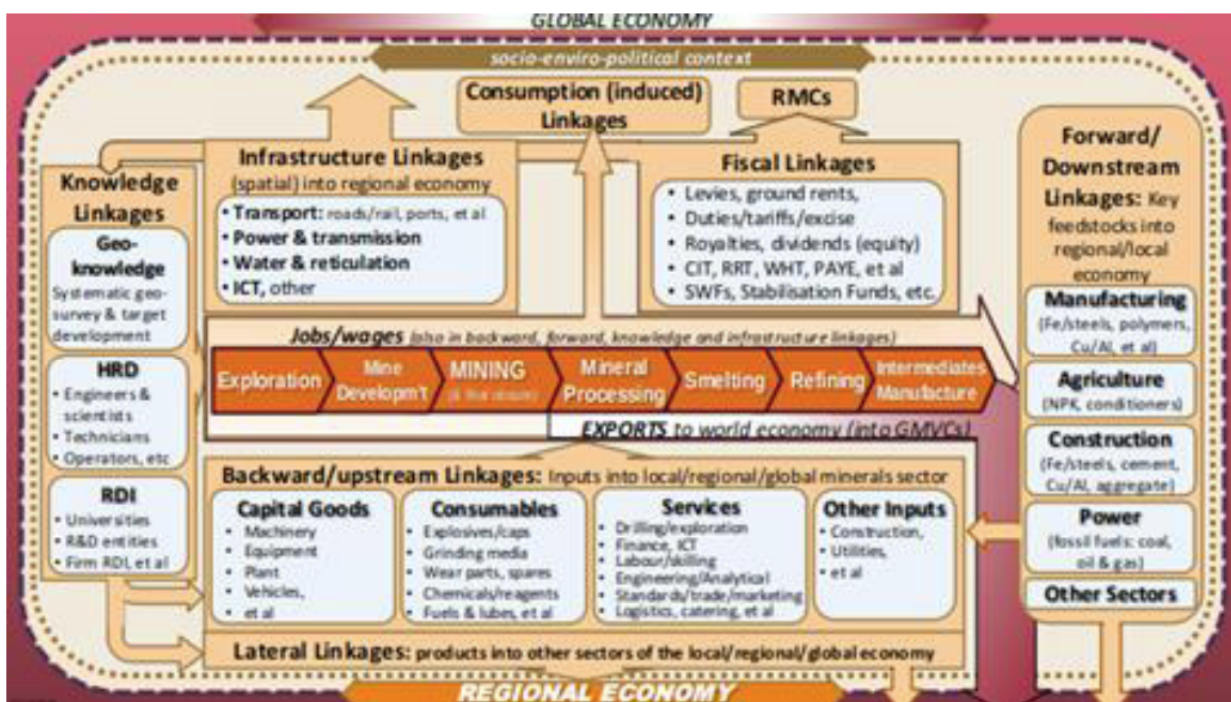


Figure 2: SADC Regional Mining Vision (Source: Totalife & Jourdan, 2019).

the region importing much of the capital goods it needs (Tutalife & Jourdan, 2019). In its listing of forward/downstream linkages, to produce more feedstocks into the SADC's economy, we find its menu to be a rather staid 20<sup>th</sup> century listing that includes staples such as Fe/steel, polymers, Cu/Al, for agricultural, construction, and power users, with a quite incredulous inclusion of fossil fuels (coal, oil and gas). More grounded analysis will be needed here to identify where the global sustainability transition is shifting demand for mineral products, and how this might also affect local industrial development. A promising very recent initiatives in this regard is that of hydrogen fuel cell installations in mining operations, synergistically to merge downstream manufacturing value-add with backstream linkages into the industry itself. Battery manufacture and usage should offer further opportunities.

### 2.5. More on Beneficiation Linkages

Backward/upstream linkages equally support the local/regional minerals sector in the SADC with inputs such as capital goods, consumables, services and other (construction, utilities, etc.). In the era of the knowledge economy, knowledge linkages are particularly important as well. They include geo-knowledge, HRD and RDI also known as lateral (side stream) linkages. These are products used in other sectors in order to support the economy at various levels. The figure also illustrates the process of job creation throughout the linkages (backward, forward, knowledge and infrastructure linkages).

Beneficiation (broadly defined) is often viewed as being of strategic importance to mineral-producing countries. Nonetheless, the beneficiation industries are exposed to various cyclical and systemic constraints that can hinder the ability of mineral-producing countries to establish and sustain these industries, with the capabilities that support effective mining differing from those that support effective beneficiation (Van Zyl, Bam & Steenkamp, 2020; Corrigan, 2019). A multidisciplinary approach to beneficiation and mining in general should be the way to go, and training and education have a role to play in that regard (Ross-Watt, 2019).

### 2.6. More on Beneficiation and Mining Challenges

Van Zyl, Bam & Steenkamp (2020) enumerated amongst others the following challenges as policy-affecting issues: volatility, uncertainty, and exhaustibility. Other challenges in mining include

capital, cost and time, mining hardships, beneficiation (processing recovery), quality initiatives, revenue related mayhems, infrastructure (energy and water) safety, environmental as well as social risks (Ross-Watt, 2019). Other research revealed that there are 31 barriers in the manganese value chain in South Africa (Van Zyl *et al.*, 2020). Coping with the Fourth Industrial Revolution is but another challenge to beneficiation activities. Balancing what happened in the past through good leadership style is beneficial to the mining industry (Uys & Webber-Youngman, 2019). Mpho (2019) laments the negative impact of corruption on transnational trade and advocates for synergy with the SADC Anti-Corruption Strategic Action Plan for 2018-2022, the African Union Convention on Preventing and Combating Corruption and the United Nations Convention Against Corruption.

Botswana is portrayed as a model of beneficiation economy that leads to economic growth (Jagadeesh, 2015). More than 3,000 workers are currently employed in polishing operations (compared to fewer than 500 in 2006) and several thousand more through ancillary businesses serving the diamond sector. Polished diamonds exported neared USD 800 million in value in 2013 and were forecast to top USD 1 billion by 2015, compared to USD 100 million in 2008. In Debswana, the government retained a big share – a move which is profitable to the country (Baissac *et al.*, 2015). It is argued within the De Beers that the country should invest beyond mining to yield benefits going forward (Bhorat *et al.*, Nd).

## 3. METHODOLOGY

This study was exploratory and qualitative in design. Prior to the research per se, a pilot study was conducted to fine tune the research instrument – an interview schedule. A pilot study took place as a pre-test or a mock interview in this case. It means a small sample was drawn to try out the interview in order to see whether it was going to be effective in collecting the needed information. It allowed rewording, time-framing and collecting experts' advice prior to the interviews at the Indaba. This means a mock study was conducted to test the interview schedule for validity and reliability purposes.

Two experts participated in the mock interview prior to the Indaba. An ethics clearance was issued in due course. Twenty-five relatively in-depth and semi-structured interviews were conducted with interviewees selected purposively from a variety of organisations,

mainly from the mining sector because it was during the mining Indaba that data was collected. The study was conducted to identify upstream, and side-stream demands, challenges and opportunities of beneficiation in the SADC region. Thus, the interviews were set out to collect the perspectives of experts and professionals on the research problem.

Some questions were biographical/demographical (what is the main activity of your company, where are you located, how long have been active in that sector, etc.), others were analytical (do you have praise or critique about the current beneficiation policy? Does the policy match the Agenda 2063 African Mining Vision? There were also general/ open-ended questions: what impact have beneficiation policies had on the economy; what challenges and opportunities are there? What could be done to make mineral beneficiation work in the SADC?

The interviewees were selected purposively. This means they had to meet certain criteria: they ought to be working in the mining sector or doing some work for a mining company in addition to attending the mining Indaba. They ought to have some experience in the mining sector and be willing to talk about mineral beneficiation issues.

### 3.1. More on Research Methodology

NVivo 12 Pro software was used to analyse the data using a content analysis approach. A thematic analysis was undertaken to derive meaning from the bulk of data-turned information. Hulse (2017) followed a similar qualitative methodology in doing research.

A wide range of expertise allowed the knowledge to be imparted, collected and recorded and Table 1 is testimony to that. The list below does not represent the sequence of interviews. Perspectives from the mining

**Table 1: Profile of the Interviews and Interviewees**

	<b>SADC countries</b>	<b>Expertise</b>	<b>Sector/activity</b>
1	DRC	Mining cadastre	Government official
2	Tanzania, SADC	Regulation regime and fisc	Policy formulation and local content
3	Lesotho	Policy formulation	Government regulatory board
4	RSA, Madagascar	Mineral processing	Mining company
5	RSA	Beneficiation	Manufacturing
6	RSA, SADC	Conveyor belting	Automotive
7	RSA, SADC	Mining	Mining company
8	RSA, Namibia, 32 countries worldwide	Explosive, fuel, mining	Mining and trade
9	Angola, DRC	Civil explosive	Mining and trade
10	RSA, SADC	Mining	Mining trade
11	RSA, SADC	Trade	Supplying
12	Namibia	Mining deals	Mining equipment
13	RSA, SADC	Mining	Mining company
14	RSA, SADC	Mining	Mining company
15	AFRICA	Finance	Mining company
16	DRC, RSA	Mining trade	Mining company
17	DRC, RSA	Mining	Mining company
18	RSA, Zambia, Namibia	Mining	Mining company
19	RSA, Namibia	Mining	Zinc mining
20	Mauritius, Zambia and DRC	Drilling	Mining company
21	Namibia	Mining transactions	Equipment supplier
22	RSA	Mining supplier	Mining supply
23	SADC, Africa	Lasting explosive supplier and beneficiation	Manufacturing and supply
24	RSA, Zambia, Botswana, Namibia, Tanzania	Corporate advisory company	Mining business consulting
25	DRC	Mining	Mining consulting

Interviews 1 and 25 done in French, 2-24 in English.

sector were needed on mineral beneficiation aspects to inform the study. Participants were selected based on their expertise and experience in the mining sector or on mineral beneficiation practices. This research thus benefited from a combined 30 years of experience in mining – in addition to over 190 years of experience across the fields.

**4. RESULTS AND DISCUSSION**

Interviewees were mostly from mining companies and their suppliers, as shown in Table 1 (which does not represent the sequence of interviews). Only three participants were from the public sector (government officials) [see 1, 2 & 3]. The large part came from industry with 19/25 representatives from mining or minerals trade companies [see 4-23] whereas another 2/25 were consulting firms [see 24-25]. While government officials tended to push for beneficiation first and foremost, the industry response was divided and tended to prioritise business-making operations. Consulting companies, as part of the industry, were equally divided in their opinion for or against policies of beneficiation in Southern Africa. In principle, beneficiation policies were supported to a large extent by most participants. Recurring themes identified in the interviews evolved around mineral beneficiation policies, economic development, beneficiation challenges, beneficiation opportunities, and general mining issues. They matched those discussed in the literature review in many instances. Makagetla, Levin and Mtanga (2019) found that reluctance to embark on fully- fledged beneficiation is mainly hampered or opposed until Africans do not pay international prices

for local commodities. Under current practices, it is almost impossible to promote downstream processing.

**4.1. Beneficiation Policy**

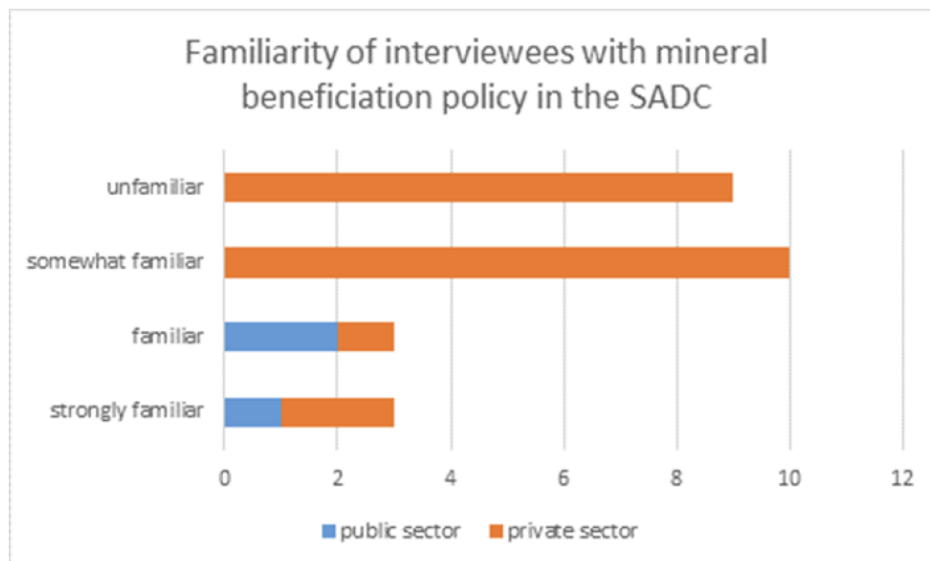
Whilst the interviewees agreed to engage on the topic of beneficiation, they were not all experts on this topic. Figure 3 indicates the interviewees’ familiarity with mineral beneficiation policy integration in the SADC region.

Given that only 6/25 interviewees (amongst whom the 3 sole government employees) indicated good or very good familiarity with beneficiation policy in Southern Africa, it could be said that what the interviewees by large had to say was not informed by good knowledge of recent policy processes on this matter.

With this caveat, indications from this study are that while in theory the current country-specific beneficiation policies in the SADC align with the AMV, in the views of some interviewees they don’t in practice. In South Africa, beneficiation is a national policy and is the case for many SADC countries. Countries like the DRC have such policies in papers but in practice there is shortage of beneficiation infrastructure.

**4.2. Economic Development in the SADC**

At least 50% of the participants viewed beneficiation as being key for development of the SADC economy or their countries – quite a few disagreed. They called for investment incentives, tax brackets, and business friendly measures that support return on investment for



**Figure 3:** Familiarity of interviewees with mineral beneficiation policy in the SADC.

**Table 2: Comparison of Beneficiation Policy in Selected SADC Countries**

Selected SADC countries	Beneficiation Policy Analysis
South Africa	Existing beneficiation policy was still developing
DRC	Beneficiation policy was not emphasized enough
Botswana	A very successful beneficiation policy with emphasis on public-private partnership
Lesotho	Non-existent at the time of research
Zimbabwe	Problematic beneficiation policy
Zambia	Relatively poor beneficiation policy as MNCs own most mines
Mozambique	Bilateral beneficiation endeavor which South Africa hoped for

corporations such as those investing in the DRC's mining sector. For economic development to be achieved, several participants advocated for anti-corruption actions in the region. A comparison of beneficiation policy development is presented below for selected SADC countries. Beneficiation appears to be widely probed in Africa [The list is not exhaustive, see Table 2].

#### 4.3. Identified Challenges in the SADC

Several challenges were identified including: the scarcity of energy (leading to load shedding) and water shortages in South Africa. There ought to be a much more holistic approach to overall policy understanding that incentivizes industrialization i.e. SADC and New Partnership for African Development (NEPAD) politics. Amid a myriad of challenges, even with a strong National Development Plan (NDP), a NEPAD programme, the Agenda 2063 or the famous African Mining Vision (AMV), it takes a political will for beneficiation programmes to materialise.

Mozambique has a higher cost of energy than South Africa. Beneficiation strategy complexity should be set around the cost of energy in the regions to succeed as SADC. The literature supports the finding above: it indicates that mining is an important job-creation, skills and IT transfer in the industry, with the potential to improve people's living conditions (Van Zyl, Bam & Steenkamp, 2020).

The current legislation in place in the DRC prohibits raw materials exportation (Interviewee no. 1) – but, it happens every day anyway! What the SADC needs include: infrastructure, manufacturing factories for beneficiation, training and skills/competence transfer...a common market as well as a tax reduction. In Southern Africa (Zimbabwe including), mineral ores are taken abroad for beneficiation purposes

(Interviewee no. 2) as it used to be in the Congo as well.

#### 4.4. Specific Cases in the SADC Beneficiation Programmes

The study reveals that, in Namibia, they successfully aimed at raising locally purchased manufacturing products from 6% to 20%. It is also argued that: "where a country produces scarce resources with high levels of demand, there is room for bargaining — as Botswana did with De Beers in the sale, sorting, cutting and polishing of diamonds" (Johwa, 2018).

The perception is that investors are not going to invest money if leaders are not looking after their business needs and the investment climate in South Africa is not helping – owing to policy uncertainty, crime and xenophobia. Beneficiation is hard and demands a lot of work. One participant lamented:

*It is known that the geology doesn't stop at country boundaries...you know what I am saying...as a company going in mining projects...I will probably continue to mine across the area...for I know the legislation...every time I need to look at a project, I don't need to get a lawyer to get a look on the legislation...the west African ...eeh the francophone block, a lot of their conventions, they almost overrun each other (Interviewee no. 3).*

Beneficiation was found to be an expensive activity which, however, in the context of Namibia and Botswana for example made a difference policy wise. Companies are divided on whether the current policies and beneficiation practices work. While Lesotho has sufficient power for its industries, South Africa is usually short of electricity. If anything, beneficiation



policy reforms were advocated for by some during the interviews. Participants thought, to a great extent, that a regional or continental market for beneficiation products could be a prerequisite to an integrated beneficiation policy formation and implementation for the SADC region.

#### 4.5. A Zero Beneficiation Policy

In practice, there appear to be a zero-beneficiation situation in Lesotho. A participant revealed:

*I have to say right now practically we have zero beneficiation policy in Lesotho...I am looking at the major sector which is 99% of mining sector, the diamond sector,...we only extract and export the diamond outside, we don't have any downstream local linkages... it is not by choice as much...that was the foresetting that has been there ever since...the new mineral beneficiation policy that Lesotho has is not yet operational (Interviewee no. 4).*

Sustainable development of mineral resources is always a challenge. It was found that mining-related industrialization occurs more due to upstream linkages than to downstream beneficiation. There is a deplorable mismatch in beneficiation policies within the SADC namely South Africa, Botswana, Zimbabwe, Lesotho and the DRC. Government's officials are many a times in disagreement with economists on whether mineral beneficiation should be prioritized in the SADC, with the first thinking it should whereas industrialists call for precautions. It would be necessary to create a market for domestic minerals before enforcing large-scale beneficiation policy integration. Experts question whether compliance with the African mining vision really matters. Mining contribute around 8% to the South African economy, 9% to the Zambia (Zambia Development Agency 2013) and much more to that of the DRC despite the fact that geologically the continent is undersurveyed still.

#### 4.6. Country Specific Challenges: Namibia

A participant lamented the fact that they need a visa to go to their own mine in Namibia. SADC has to deal with the heterogeneous conditions in the DRC to accommodate those who seek return on investment. A warning was pronounced: "the SADC can deal with Zimbabwe...but not a failed South Africa owing to the massive economy that the country has".

A more coordinated policy could result in a better understanding of the government and industry role in carrying out beneficiation policies in the SADC (Interviewee no.1 to Interviewee no. 8).

### 5. CONCLUSIONS

There continues to be a high expectation that the SADC's mineral wealth will drive its economic growth and development. In this study, we have reported on perceptions amongst role players in the SADC mining industry on the role and nature of downstream mineral beneficiation in achieving such aims. The development of a regional vision (which at the time was still under development) seems to have not been well-known in the industry, particularly the private sector. This limited knowledge may have been a factor in the way participants perceived and interpreted beneficiation policies.

Interviewees thought policies were not aligned in practice within the SADC region, probably because of differences on national priorities. To some, beneficiation should take place in the country where the minerals were extracted but to others suffice it to happen in the SADC region. Participants thought that regional beneficiation would make economic sense, allow to keep value and reduce transport costs. The main challenges remain infrastructure development (esp. electricity shortages), scarce skills and the cost-factor. Participants called for beneficiation policy reforms in the region. The need to put in place a regional market was pronounced as a prerequisite to fiscal reforms.

We conclude that whilst most of the interviewees were only vaguely aware of the RMV and its policy processes, the concerns which the industry representatives in particular raised, are actually fairly well articulated in the RMV, with practical and mostly well-founded plans to address them. Of some concern is the RMV's continued wishful inclusion of older carbon-intensive 20th century "opportunities" for downstream beneficiation. Recent developments in the industry suggest that the global sustainability transition is already affecting the region's minerals industry.

### 6. RECOMMENDATIONS

Consultation should be taken on whether national or regional beneficiation policies should be prioritized in the region. It will take a political will and a long-term approach on infrastructure development, market

creation and gradual beneficiation to thrive. An integrated SADC beneficiation policy will require strategic alignment and joint planning to develop the infrastructure and human resource base required. As stated by Baxter (2019), it takes responsibility, respect, trust, honesty and accountability to drive beneficiation reforms in the right direction.

## LIST OF ABBREVIATIONS

AMV	= African Mining Vision
AU	= African Union
DRC	= Democratic Republic of Congo
EU	= European Union
GDP	= Gross Domestic Product
HMS	= Heavy Metal Sands
IT	= Information Technology
MNCs	= Multinational Corporations
NDP	= New Development Plan
NEPAD	= New Partnership for African Development
PGM	= Platinum Group Metal
RMV	= Regional Mineral Vision
SADC	= South African Development Community

## DECLARATION OF INTEREST STATEMENT

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