

World Bank (WB) has tasked West African mining companies to procure more equipment, supplies and services from local companies to boost economic growth in West Africa. "Increasing local procurement by the Mining Industry in West Africa will spread the benefits of mining more evenly across a country's economy, creating jobs and stimulating the sustainable development of local enterprises,".

This was in a World Bank survey report made available to the Ghana News Agency in Accra, today. The report, which focuses on Ghana, Guinea and Senegal, recommended West African governments to work with mining companies, suppliers, and civil society to strengthen definitions and indicators for measuring local procurement, and mining companies develop and implement local procurement plans.

The report revealed that few mining companies in West Africa have established policies to support local procurement, although some efforts have been launched to seek a more consistent, formal approach. There are important potential opportunities for expanding local supply in areas such as camp management, civil works, construction and transport, as well as drilling, mining, and equipment maintenance.

The WB said local procurement by mining companies can bring significant benefits to a wide range of stakeholders in resource-rich countries, due to the large scale of current and potential mining activity in West African countries. The WB study tasked regional organisations to help develop a harmonised list of products across the region that may be exempted from customs duties, promoting linkages and investment along the mining supply chain, develop a regional list of suppliers, and continue to facilitate regional trade.

It also tasked national governments on the need to enact and implement appropriate policies and regulations to encourage local procurement, while also providing a supportive enabling environment for enterprise development and investment. The WB urged governments to ensure that mining companies develop and submit local procurement plans, review concessions on targeted import tariffs and duties, promote linkages and investment along the mining supply chain and allocate revenues from mining to support local supplier development.

It also appealed to mining companies to ensure that local companies have full, fair and reasonable access to opportunities. They should share information on their procurement needs, help to identify and assess the viability of suitable products and services for local supply, and broadening access to tenders and requests for quotation. WB's Vice President for West Africa, Obiageli K. Ezekwesili, was quoted as saying, 'buying local goods and services will serve as a catalyst for private sector development and lead to sustainable growth'.

She however noted that mining companies need to be transparent about informing local communities on procurement opportunities, so that those communities can benefit economically from mining operations. "Mining companies should not only extract wealth, they must inject opportunity," the WB indicated.

According to the WB, mining serves as an economic engine for West Africa, supplying about nine percent of the world's bauxite, and eight percent of its gold. "This contribution is expected to grow, with large gold, iron ore, and bauxite projects in advanced planning stages, along with unexploited uranium, copper and diamond deposits across the region," the WB stated. The WB explained that even if those levels of mining activity involved significant procurement spending, both in capital investment and operational costs, there have so far been only limited participation in mining supply chains by companies based in West Africa.

This situation endures despite existing capacity and the potential to expand the capacity of local small and medium enterprises. The study was supported by Kaiser Development Practice with inputs from policy makers, the private sector and civil society in workshops and consultations held last year in Accra and Conakry, Guinea.

*Source: GNA*