



UNU-INRA *Sparkle*

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Enhancing Capacity for Managing Africa's Natural Resources

In this Issue

News Feature on Mining Taxation Study in Zambia

Courtesy Calls on African Ambassadors in Accra

Workshop on Mineral Resource Governance Report

Public Seminar Held

New Research Fellow

Publications in the Quarter

UNU-INRA Social Media Presence

Achieving an Optimal Mining Tax Regime in Zambia



The Operating Unit of the United Nations University Institute for Natural Resources in Africa (UNU-INRA) in Zambia engaged stakeholders through a public seminar to discuss findings of the Unit's study on the country's mining tax regime.

The mining taxation study sought to review tax reforms in Zambia's mining sector, to ascertain their impact on both Government and mining companies' revenue, and their effect on the local community. The aim is to propose a tax regime or model that optimizes government revenue as well as encourages growth and investment in the mining sector.

The report noted that considering the diversity in the operations of the mining sector in Zambia, it is impossible to define an ideal tax

system for all jurisdictions. It however proposed a tax regime for the country, with sound justifications. Notable among the recommendations is the call for the removal of Variable Profit Tax (VPT) which is being levied at 15%, in Zambia. The VPT is a profit-based tax with a varying rate according to measures of profitability or return on investment.

The report argued that since there is already a mineral royalty tax, which is presently a levy of 9% of the value of sales of a particular mineral, the VPT is no longer necessary. It indicated that based on comparison with other countries' tax regimes, Zambia remains the only country that administers a VPT. Moreover, the report added that this particular tax has not fully benefited the country due to its complex nature of computation and the challenges of monitoring by the Zambia Revenue Authority (ZRA).

In line with this recommendation, the Government of Zambia has just adjusted the country's tax regime, where the VPT has been removed.

The full policy brief on the study will be made available on UNU Collections and UNU-INRA website.

UNU-INRA Calls on African Ambassadors in Accra



Dr Elias T. Ayuk, Director, UNU-INRA (left), H.E Charles B. Josob, Namibia High Commissioner to Ghana (middle) and Mrs Praise Nutakor, Communications and Public Relations Associate, UNU-INRA (right)

The Director of the United Nations University Institute for Natural Resources in Africa (UNU-INRA), Dr Elias T. Ayuk, paid courtesy calls on selected diplomatic missions in Accra, to improve the Institute's working relationship with the respective African missions in Ghana. The diplomatic missions visited were the Embassy of Angola, Embassy of Equatorial Guinea and the Namibia High Commission.



H.E. Jesus Mba Bela Abaha Equatorial Guinea Ambassador to Ghana (left) and Dr. Elias. T. Ayuk, Director, UNU-INRA (right).

During the visits, Dr Ayuk briefed the various Ambassadors on the Institute's current activities and called for their continued support to UNU-INRA. At the Embassy of Equatorial Guinea, His Excellency Jesus Mba Bela Abaha thanked the Director for the visit and pledged his Embassy's support to the Institute.

At the Namibia High Commission, the High Commissioner, His Excellency Charles B. Josob, lauded

the Institute for its activities in Africa, especially in Namibia, through the UNU-INRA operating unit in that country. Similarly, the Deputy Head of Mission at the Angola Embassy, Maria Emilia Almeida, also renewed the commitment of the Angola Embassy to support the Institute's activities.

The UNU-INRA Director, seized the opportunity to make a formal request, through the diplomatic missions visited, for the contributions of the respective African countries to the Institute's endowment fund. This request, according to Dr Ayuk, is in line with a resolution taken by the then Organization of African Unity (OAU) in 1986, which entreats African Governments to provide funding support for UNU-INRA.



UNU-INRA presented key publications including policy briefs on natural resources management related topics to the diplomatic missions visited.

UNU-INRA Hosts Workshop on Mineral Resource Governance Report



Workshop Participants

A two-day workshop on the report of the International Resource Panel “*Mineral Resource Governance for Sustainable Development*” was held at the United Nations University Institute for Natural Resources in Africa (UNU-INRA), in Accra, Ghana, from 26th – 27th September, 2016.

The workshop, organised by the United Nations Environment Programme (UNEP) Secretariat of the International Resource Panel (IRP), in collaboration with UNU-INRA, discussed an annotated outline and specific content of the Mineral Resource Governance report, allocated responsibilities and drafting roles, and finalised the timelines for developing and publishing the report.

In his opening remarks, Dr. Elias T. Ayuk, Director of UNU-INRA, noted that, as a natural resources management Institute, UNU-INRA is pleased to host the workshop, as the report will offer policy options that can help countries improve the management of the extractive industry for sustainable development.

The study for the report, provisionally entitled “*Mineral Resource Governance in the 21st Century: Gearing Extractive Industries towards Sustainable Development*” was formulated as an attempt to improve the understanding of how the extractive sector can aid the transition towards sustainable development. It will examine how mining activities should be regulated and extractive rents used to improve economic and human development, while at the same time safeguarding the availability of resources and protecting the natural environment for current and future generations.

The report aims to propose a new governance framework, termed a “sustainable development license

to operate”, which would build on the review of existing governance architecture to recommend a global compact or set of international standards and best practices for governments to set and mining companies to abide by.



Preliminary findings of the report will be presented in the context of the third session of the UN Environment Assembly (UNEA-3) in December 2017.

Public Seminar Held in Accra



Yasuko Kusakari, Former UNU-INRA Research Fellow/Socio-economist, making her presentation at the seminar.

On September 2nd, 2016, UNU-INRA held a seminar in Accra to discuss preliminary findings of a research entitled “*Community-Level Capacity Assessment for Sustainable Development in Rural Africa: Proposed Assessment Tools and Preliminary Findings from Ghana and Malawi*”.

The research, which was conducted by a former Research Fellow/Socio-economist of UNU-INRA, Yasuko Kusakari, aimed to examine roles of local capacity and explore effective and efficient approaches to capacity development for ensuring sustainable development outcomes in the long term in rural Africa.

The seminar offered the participants the opportunity to make input into proposed capacity development assessment tools for community development leaders in the areas of accountability; engagement; leadership & ownership; asset management and disaster management.

Our New Research Fellow



Dr Tesfahunegn Gebreyesus, Research Fellow, Land and Water Resources, UNU-INRA

Dr Gebreyesus Brhane Tesfahunegn specialized in Land and Water Resources Management. Prior to joining UNU-INRA as Research Fellow for Land and Water Resources, Dr Tesfahunegn was working as an Associate Professor at the Department of Soil Resources and Watershed Management of the Aksum University, Ethiopia.

Dr. Tesfahunegn was also a Visiting Scientist at Nebraska University, Lincoln, United States of America in 2005, and CAB International in 2015 in Nairobi, Kenya. He is an invited reviewer for many international Journals including *Land Degradation and Development*, *Sustainability*, *British Journal of Applied Science and Technology*, *American Society of Agricultural and Biological* and *Soil Science Society of America Journal*.

He holds PhD in Soil Science from the University of Bonn, Germany.

Publications in the Quarter

Policy Brief

- *Alleviating the Impact of Sand Dredging on Fishing*

Available at: <http://collections.unu.edu/view/UNU:5745>

Working Paper

- *Environmental and Economic Burden of Sand Dredging on Artisanal Fishing in Lagos State*

Available at: <http://collections.unu.edu/view/UNU:5744>

Our Social Media Presence

Information on the activities of UNU-INRA is available on social media. Find us on Twitter, Facebook and LinkedIn at the links below:



[Twitter.com/UNUINRA](https://twitter.com/UNUINRA) . Our Twitter Handle is @UNUINRA



[Facebook.com/UNUINRA](https://facebook.com/UNUINRA)



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About UNU-INRA

UNU-INRA enhances the capacity of African researchers to conduct research on natural resources management issues to inform policy formulation and implementation.

Although UNU-INRA is an institute of the United Nations University (UNU) system, it was an African concept developed by some committed top African scientists. Its establishment is supported by the Assembly of Heads of States and Governments of the African Union (AU). On this strong political and moral support, UNU-INRA was established in 1986.

UNU-INRA appreciates the continued contributions from the Governments of Cameroon, Ghana and Zambia to its endowment fund. The Institute is also grateful to the following organisations for the funding support to carry out specific projects:



Economic Commission
for Africa



Sparkle is a quarterly newsletter of UNU-INRA.

It is an acronym for Sustainability through Partnership in Africa where Resources are optimally utilized using Knowledge that is holistic, Leadership that is inclusive and Economy that is green