

# The African mineral and energy resources classification and management system: Status Quo

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## INTRODUCTION

The African Mineral and Energy Resources Classification and Management System (AMREC) is based on the United National Framework Classification for Resources (UNFC), also referred to as UNFC-AMREC. UNFC is a system for classifying, managing, and reporting mineral, petroleum, renewable energy, and anthropogenic resources and injection projects, which assists governments and industry stakeholders to document and report on the economic and non-economic value of mineral and energy resources.

Although Africa is known to be endowed with plentiful natural resources, the majority of African countries currently lack a complete picture of the real value of their mineral resources. Furthermore, except for South Africa, no country in Africa has a national code for reporting mineral and energy resources to stock exchanges and financial institutions. The development of UNFC-AMREC, together with the Pan-African Resource Reporting Code (PARC), aims not only to ensure a harmonised resource classification and management system across Africa but also to encourage transparency in financial reporting and broader participation of African citizens in the industry.<sup>1</sup> UNFC-AMREC is designed to respond to African needs and challenges to achieve the aspirations and development goals outlined in the Agenda 2063, the African Union (AU) Vision, the African Mining Vision (AMV) and the Sustainable Development Goals (SDGs).

The UNFC-AMREC framework was adopted by the African Heads of State in February 2022 during the 35<sup>th</sup> Ordinary Session of the African Union Assembly, and therefore is ready for implementation. UNFC-AMREC has been embedded in the Africa Minerals Development Centre (AMDC) business plan for implementation.

**Keywords:** African Mineral and Energy Resources Classification, AMREC, mineral classification, United Nations Framework Classification for Resources, UNFC, UNFC-AMREC, Pan-African Resource Reporting Code, PARC, African Mineral Development Centre, AMDC

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<sup>1</sup> AUC. (2020). African Mineral and Energy Resources Classification and Management System (AMREC) framework document. Addis Ababa, Ethiopia.

## POLICY FRAMEWORK

UNFC-AMREC is aligned to the United National Framework Classification for Resources (UNFC), which is a unique system in which resource quantities are classified based on three fundamental criteria of environmental-socio-economic viability (E-axis), technical feasibility (F-axis), and degree of confidence (G-axis). Table 1 below gives the abbreviated version of UNFC, update 2019, showing Primary Classes.<sup>2</sup>

Table 1. Adapted abbreviated version of UNFC, showing primary classes (Source: UNFC update, 2019)

Total Products	Production	Sold or used production			
		Production which is unused or consumed in operations			
		Class	Minimum		
			E	F	G
	The project's environmental-socio-economic viability and/or technical feasibility have been confirmed	Viable Projects	1	1	1, 2,3
	The project's environmental-socio-economic viability and/or technical feasibility have yet to be confirmed	Potentially Viable Projects	2	2	1, 2,3
		Non-Viable Projects	2	2	1, 2,3
	Remaining products not developed from identified projects		3	4	1, 2,3
	There is insufficient information on the source to assess the project's environmental-socio-economic viability and technical feasibility	Prospective Projects	3	3	4
	Remaining products not developed from prospective projects		3	4	4

The African Union Commission (AUC) Members of the AMREC Technical Working Group, which was established in 2017, spearheads the development of the UNFC-AMREC framework with backing from the African Mineral Development Centre (AMDC), the African Union Commission (AUC), the United Nations Economic Commission for Africa (UNECA) and technical support from the Expert Group on Resource Management (EGRM), as well as other key stakeholders. AMDC is the African Union's special institution that implements the Africa Mining Vision (AMV), developed in 2009 for "a transparent, equitable and optimal exploitation of mineral resources to underpin broad-based sustainable growth and socio-economic development" by 2050.

UNFC-AMREC contains a module called the Pan-African Resource Reporting Code (PARC). PARC will be used continent-wide for industrial and financial reporting of the total resource base of Africa, in order to attract the requisite capital investments for resource development and facilitate access to finance.

### Status quo

The AMREC-PARC framework was endorsed by the 3<sup>rd</sup> Ordinary Session of the Specialised Technical Committee Meeting of Trade, Industry and Minerals (STC-TIM) of Member States in 2021 and adopted by Heads of States in Africa during February 2022.

The first published version of the AMREC-PARC document is available in four languages (English, French, Arabic and Portuguese). The Africa Mineral Development Centre (AMDC) is the institution that will guide the process of continuous improvement of the AMREC system and its implementation, Africa-wide. Case

<sup>2</sup> UNECE. (2020). United National Framework Classification for Resources (updated 2019). Geneva [https://unece.org/DAM/energy/se/pdfs/UNFC/publ/UNFC\\_ES61\\_Update\\_2019.pdf](https://unece.org/DAM/energy/se/pdfs/UNFC/publ/UNFC_ES61_Update_2019.pdf)

studies have been carried out in Malawi, Egypt, Niger, and Nigeria, while pilot projects are underway in Namibia and Uganda.

AMREC is well aligned to other national systems worldwide to facilitate both foreign direct investment and trade, notably in value-added resources from Africa, while increasing trust and confidence between Africa and its principal regional trading partners.

Being a continental harmonisation framework that applies equally to government institutions and private companies, AMREC will leverage public-private participation in mineral resource development. The expected outcomes of its adoption are listed in the “African Mineral and Energy Resources Classification and Management System (AMREC)”, Version 1 of 2020. Its most significant aspects are:

1. Establishment of a consistent, comprehensive and transparent management and reporting system for mineral resources across Africa that meets financial institutions' requirements and promotes more involvement of Africa's stock exchanges and financial institutions in the development of the mineral sector.
2. Guidance for effective capital allocation (economic).
3. Capacity building to create an efficient and internationally recognised African professional workforce.

## CONCLUSION

The development and formulation of the UNFC-AMREC system - although still at the beginning - is an important tool that aims to contribute to effective natural resource management and allocation process for the continent to achieve the Agenda 2063, AMV and the SDGs. It is also true that there are challenges that need to be overcome to fully implement the system, including the voluntary nature of the system; data harmonisation from different sources; as well as government and industry influence.



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Mrs Anna Nguno is a Deputy Director for the Regional Geoscience (Mapping) Division at the Geological Survey of Namibia, Ministry of Mines Energy. She obtained her Master of Science in Geology and mineralogy from the University of Helsinki/Finland in 1998. For the past 22 years, Mrs. Nguno has been working as a geologist in various positions at GSN. Her work experience includes but is not limited to:

- Coordinating geological mapping and research in collaboration with local and international research institutions and researchers
- Compilation of Geological maps, Geoscience data management. GIS and Remote Sensing
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Mrs. Anna Nguno is a:

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- President, Geoscience Council of Namibia
- Councillor for Southern Africa, Geological Society of Africa
- Secretary-General, Sub-commission for Africa Maps, Commission for the Geological Map of the World
- Member of the IUGS Nominating Committee for the term 2020-2024.