

AFRICAN UNION

الاتحاد الأفريقي



UNION AFRICAINE

UNIÃO AFRICANA

Addis Ababa, ETHIOPIA

P. O. Box 3243
+251-1-517844

Telephone 517 700

Fax:

**AU CONFERENCE OF MINISTERS RESPONSIBLE
FOR MINERAL RESOURCES DEVELOPMENT
SECOND ORDINARY SESSION
12-16 DECEMBER, 2011
ADDIS ABABA, ETHIOPIA**

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**BUILDING A SUSTAINABLE FUTURE FOR AFRICA'S EXTRACTIVE INDUSTRY:
FROM VISION TO ACTION**

**DRAFT REPORT OF THE MEETING OF MINISTERS
15 – 16 DECEMBER, 2011**

DRAFT REPORT OF THE MEETING OF MINISTERS

INTRODUCTION

1. The Second Ordinary Session of the AU Conference of Ministers Responsible for Mineral Resources convened at Ministerial level on 15th and 16th December, 2011, at the AU Headquarters, Addis Ababa, Ethiopia. The meeting was declared open by H.E. H.E. Mrs. Sinkinesh Ejigu, the Minister of Mines of the Federal Democratic Republic of Ethiopia. The Conference was addressed by H.E. Mrs. Sinkinesh Ejigu, the Minister of Mines of the Federal Democratic Republic of Ethiopia, H.E. Mr. Maxwell Mkwezalamba, Commissioner for Economic Affairs of the AUC, and by Joseph Atta-Mensah, Director Office of Strategic Planning and Programme Management of UNECA.

Attendance

2. The meeting was attended by the following Member States: Algeria, Benin, Burkina Faso, Burundi, Chad, Côte d'Ivoire, Comoros, Congo, Egypt, Eritrea, Ethiopia, Gabon, Ghana, Kenya, Lesotho, Libya, Malawi, Mali, Mauritania, Mozambique, **Namibia, Niger, Nigeria**, Rwanda, **Saharawi Arab Democratic Republic, Senegal, Sierra Leone, South Africa**, Sudan, Tanzania, Tunisia, Uganda and Zambia.

3. The following **Regional Economic Communities (RECs) attended the meeting: Common Market for East and Southern Africa (COMESA)**, Economic Community of Central African States (ECCAS), Economic Commission of West African States (ECOWAS) and the Southern African Development Community (SADC). Also in attendance were the following International Organisations and non-African countries: Africa Practice French Development Agency (AFD), African Centre for Economic Transformation (AECT), African European Affairs Consultants, Africa Legal Support Facility (AILF - AfDB), Australian Aid (AUSAID), Geological Survey of Ethiopia, Geowissenschaftler and Rohstoffe (BGR), BHP Billiot-Minerals Exploration, European Centre for Development Policy Management (ECDPM), European Commission (EC), Canadian International Development Agency (CIDA), Communities and Small Scale Mining-Africa (CASM Africa), Centre du Commerce International pour la Développement (CECIDE), Columbia University, Confédération National des Travailleurs de Guinée (CNTG), Extractive Industries Transparency Initiative (EITI), Euro Geo Surveys, Geological Survey of Finland (GTK), International Council on Mining and Metals (ICMM), Mintek, Mining and Industry Association of Southern Africa (MIASA), NEPAD Planning and Coordination Agency (NPCA) National Resources Agency-Canada (NRCAN), Publish What You Pay, Revenue Watch Institute, United Nations Economic Commission for Africa (UNECA), United Nations Environment Programme (UNEP), United Nations Conference on Trade and Development (UNCTAD), University of Dundee, Université du Québec à Montreal, University of the Witwatersrand, World Gold Council (WGC), Zambezi Mining Services, The World Bank, Third World Network-Africa, Canada, Australia, Belgium, Sweden and USA.

Agenda Item 1: Opening of the Meeting

1) Address by the Minister of Mines of the Federal Democratic Republic of Ethiopia, H.E. Mrs. Sinkinesh Ejigu

4. After the customary courtesies, Mrs. Sinkinesh Ejigu made a detailed presentation on Ethiopia's mining map, the status of small-scale exploitation of some deposits and provided information on Ethiopia's policy for granting mining concessions to foreign investors attracted by the liberal market economy. The Ethiopian government, she said, is determined to transform, through transparent governance of mining sector resources, the latter into a genuine driver of economic growth and development, in accordance with the principles of the Extractive Industries Transparency Initiative to which Ethiopia is a party. The Minister deplored the contrast between the rich diversity of Africa's subsoil and the extreme poverty prevailing on the Continent. She recalled the challenges to be overcome collectively so as to reverse this trend and place Africa on the path to sustainable development. She concluded her remarks by inviting the Ministerial Conference to take a stance on the draft Plan of Action submitted by the Meeting of Experts, drawing inspiration from the framework report prepared by the International Working Group on Africa's Mineral Regimes.

2) Address by Dr Maxwell Mkwezalamba, Commissioner for Economic Affairs and Acting Commissioner for Trade and Industry

5. Following the customary courtesies, Dr. Maxwell Mkwezalamba, invited participants to observe a minute of silence in memory of the late Mrs. Elisabeth Tankeu, Commissioner for Trade and Industry, who passed away on 16 October 2011 in Paris. He underscored the relevance of the Conference theme, which highlights the commitment of African leaders to sound and responsible management of the Continent's mining sector with a view to placing Africa on the path to sustainable development. This goal is far from being achieved, given that poverty continues to wreak havoc on the Continent which is struggling to achieve the Millennium Development Goals (MDGs) by 2015, despite its abundant mining and mineral resources. He underscored the negative effects of mining in Africa, in terms of political instability and insignificant contribution to the well-being of the populations. Dr. Mkwezalamba then enumerated measures to be taken in order to reverse the trend and extricate the mining sector from this difficult situation, so that it substantially contributes to development and to improving the living conditions of the populations. In conclusion, he commended the preparatory work done by the experts as well as partner contributions to ensure the success of the Ministerial Session. He then declared the meeting open.

3) Address by Joseph Atta-Mensah, Director Office of Strategic Planning and Programme Management of UNECA

6. In his keynote address, Mr. Atta-Mensah said that the theme chosen for the conference, 'Building a sustainable future for Africa's extractive industry – from Vision to Action' is very appropriate and timely. According to Mr Atta-Mensah, for far too long Africa has taken it as given that it has to be an exporter of raw materials to industrialise other countries but not itself. He underscored that citizens and even communities living around mining sites have patiently waited for benefits they expect new mines to deliver, yet still the full impact of these benefits remain largely elusive. "Instead, they suffer the consequences of a range of negative impacts that mining can, and in many cases, does inflict on them," he said. For close to a decade now, African mineral exporting countries have watched helplessly as mineral commodity prices have soared but their own benefits from the industry have yet to reach the same heights due to contractual obligations, which have locked in their benefits at levels and which are not commensurate with those of mining companies. He further stated that "These are precisely some of the reasons when Ministers approved the vision in 2008 and presented it to our Heads of State and Government; we were all elated that they endorsed it! We were elated because the vision promised to address these and many other weaknesses that have prevented Africa realising full benefits from its mineral endowment," said Atta-Mensah. He underlined that the meeting will begin to map out how member states can deliver on these promises, what they need to do to realise the ambitious and lofty ideals set when the Vision was crafted. It is these ideals which will carry the aspirations and hopes of the continent.

Agenda Item 2: Announcement of the Bureau

7. The meeting elected the following Bureau:

Chair	:	Ethiopia
1st Vice-Chair	:	Mali
2 nd Vice-Chair	:	Congo
3 rd Vice-Chair	:	Algeria
Rapporteur	:	Mozambique

Agenda Item 3: Adoption of the Agenda and Work Programme

8. The Meeting considered and adopted its Agenda and work programme without amendment.

Agenda Item 4: Organization of Work

9. The meeting further adopted the following working hours:

Morning: 09h00 to 13h00

Afternoon: 14h30 to 18h00

Agenda Item 5: Consideration of the Report of the Meeting of Experts

10. The rapporteur presented the Report of the Experts to the Ministers, focusing mainly on the recommendations of the various clusters. The Ministers adopted the report with amendments and the following additional recommendations:

- a) Mining Companies and partners should assist Member States to build capacity in the mining sector;
- b) Member States should promote and support the establishment of mining schools for the development of mining skills;
- c) Member States should apply APRM in the mineral sector and mainstream EITI principles in the governance of the mineral sector.

Agenda Item 6: Consideration and Adoption of the Plan of Action for the Implementation of the Africa Mining Vision (AMV)

11. The Ministers endorsed the Plan of Action for the implementation of the Africa Mining Vision with amendments.

Agenda Item 7: Round Table with Development Partners

12. H.E. Ms. Sinkenesh Ejigu, Minister, Ministry of Mines of Ethiopia, in her opening remarks informed the meeting that the objectives of the development partners round table is to discuss/debate how the development partners will fit in the implementation of the Africa Mining Vision based on the proposed Action Plan. She also stated that this Action Plan will be endorsed during the Ministerial session.

13. Dr. *Maxwell* M. Mkwezalamba, Commissioner of Economic Affairs of AU, explained lack of resources as a major challenge of Africa for the implementation of the Action Plan. Obtaining resources is critical and Africa should not depend only on development partners rather Member States and their institutions including private sectors, NGOs, CSOs should also play a major role. In this round table, the meeting will hear from the development partners on how they take part towards addressing this challenge. In his statement, Dr. Maxwell informed the meeting that AU in close collaboration with RECs, AfDB, UNECA and other development partners should handle monitoring and evaluation activities. He also raised that the African Mineral Policy Research Center will be undertaking policy research under the leadership of AUC, UNECA and AfDB.

14. Ambassador Jens Odlander, Swedish Ambassador to Ethiopia, expressed interest in giving support towards the implementation of the Africa Mining Vision in

areas of mineral development, research and policy. He raised the issue of human rights should be given emphasis on the Vision.

15. Ambassador Lisa Filipetto, Australian Ambassador to Ethiopia, expressed that Australia as being mineral rich country has been sharing experiences to African countries since 2009 in attaining broad-based development in the extractive industries. She also mentioned that the Australian government has provided scholarships, fellowships and study tours to students from different African countries. H.E. Lisa mentioned that Australia want to be a key partner towards the development of the Mineral Policy Research Center in support of the AMV.

16. The EU Head of Delegation, mentioned that since mining in Africa faces various challenges, African governments and mining companies operating in Africa should take the responsibility of making the sector sustainable and equitable. He expressed that EU welcomes the AMV and the Action Plan and wants to participate in three areas.

- a) Governance which includes tax regimes, transparency, CSOs involvement and contract negotiation.
- b) Investment which includes land use planning, increase value addition and issues of CSR.
- c) Geological information which includes supporting the capacity building of organizations in Africa who are working on geological survey.

17. The EU delegate also mentioned the initiatives which they have developed which required EU private companies to report taxes and royalties that they made to host countries.

18. The representative from CIDA welcomes the AMV and expressed Canada's interest to support its implementation. He stated policy development, capacity building, improve social benefits of the extractive industries and knowledge dissemination as areas of collaboration.

19. Dr. Paulo De Sa, Manager, Oil, Gas and Mining Policy Division of the World Bank, informed the meeting that the World Bank fully endorsed the AMV and its Action Plan. He challenged the meeting by proposing very ambitious interest of collaboration of the World Bank. These are:

- a) Complete Geological mapping of Africa- its estimated cost is \$1b.
- b) Stopping conflict around extractive industries in Africa- \$5m has already been allocated.
- c) Scaling up the linkages of mining with other sectors in terms of local content in resource rich African countries.
- d) Building capacity of African countries.

e) Partner in the establishment of the Africa Mineral Policy Research Center and the recommended Peer Learning Group.

20. In the discussions that followed, the meeting made the following observations and recommendations:-

- Welcomed the support promised by the Development Partners for the implementation of the Action Plan for the African Mining Vision and other allied initiatives such as the Nordic initiated Minerals for Development. However it expressed remorse over the past relationships that existed between Africa and Mining Companies most of which originated from the Developing Partners countries, which has not been beneficial for African economies and well-being.
- The need to bring in mining companies and the private sector in general to support the Action Plan of the African Mining Vision especially in the area of Training and local skills development, and mining contracts negotiations.
- The need for Development Partners to put more emphasis and direct their assistance in the program clusters that deal with Mining Revenues and Mineral rents management in relation to double taxation and transfer pricing issues, geological mapping and mining information systems, environmental and social issues, financing given that mining is usually financed by private equities
- The need for Development Partners to assist African countries in the review of Mining Regimes based on issues of governance, transparency and corporate social responsibility.
- The need to discourage the politicization of the extractive industry especially through sanctions which can be detrimental to the economic development of Africa.
- The need to support the roles of the Civil Society Organizations in the mining sector especially in promoting good governance and transparency.
- The meeting recommended the need for proper definition of roles and responsibilities in the implementation of the Action Plan for the African Mining Vision.

Agenda Item 8: Consideration and Adoption of the Ministerial Declaration

21. The Conference considered and adopted its Declaration with amendments.

Agenda Item 10: Any Other Business

22. Under this item, the Conference considered the date and venue of the next Ministerial Session. The Minister of Mines of Mali, H. E Amadou CISSE offered to host

on 2014, the 3rd Ordinary Session of the Conference of Ministers Responsible for Mineral Resources Development in Bamako, Mali.

Agenda Item 11: Consideration and Adoption of the Report of the Ministerial Conference

23. The Conference considered its report and adopted it with amendments.

Agenda Item 12: Vote of Thanks

24. A vote of thanks was moved on behalf of the Conference by H.E. Mr. Pierre OBA Minister of Minister of Mines and Geology of the Rubablic the Congo, who expressed gratitude to the Government and people of Ethiopia for their warm welcome and facilities extended to them for the smooth unfolding of the meeting. He further congratulated the Expert Meeting for their contribution to the success of the ministerial segment. He concluded by wishing that, under the leadership of the Minister of Mines of the Democratic and Federal Republic of Ethiopia, the plan of action agreed upon should be implemented in such a way that the mining sector becomes an engine for economic growth in Africa.

Agenda Item 13: Closure of the Meeting

25. The Chair, H.E. Ms. Sinkenesh Ejigu, Minister of Mines of Ethiopia brought the Conference to a close after thanking the Ministers and all participants for their inputs to a successful Conference.