



Flashback...

What Carlos Lopes said at the start of ADF VIII

By Emmanuel K. Dogbevi



ECA Executive Secretary Carlos Lopes

The Eighth African Development Forum started on full steam this week. Delegates are discussing issues bothering on Africa's poverty, despite the continent's rich natural resources.

During the official opening ceremony, Dr. Carlos Lopes, the UN Under-Secretary and Executive Secretary of the United Nations Economic Commission for Africa (UNECA) gave an address which encapsulated the objectives of the Forum under the theme: "Governing and Harnessing Natural Resources for Africa's Development".

The Forum, according to Dr. Lopes, has remained true to its purpose of deepening the understanding of key development issues concerning Africa.

He indicated that it contributes to vigorous debate on new ideas to accelerate Africa's transformation.

"Our deliberations are taking place against the background of renewal and revival in Africa. Seven out of the ten fastest growing economies in the world are in this continent. Yet, we have six out of the ten most unequal societies in the world," he said.

The ECA Executive-Secretary argued that the way Africans use the abundant continental endowment in natural resources will be critical in this regard.

"As things stand, Africa has a long way to go in order to harness the full potential of its natural resources. It is obvious that we are not there yet. We are gearing up to cope with increasing global demand for natural resources, at a time of global concern about environmental sustainability and climate change," he said.

He pointed out that it is important to first gain a clearer picture of what is at stake. Africa, for example, accounts for three-quarters of the world's platinum supply, and half of its diamonds and chromium. It has up to one-fifth of gold and uranium supplies and it is increasingly home to oil and gas production with over thirty countries now in this category. Yet, with minor exceptions, Africa does not consume or add significant value to these and other mineral products which it has in abundance.

"Rather, we are net exporters of raw materials that fuel prosperity and development in other regions," he said.

Continued on page 2

African Mining Vision not widely known - Graham

By Emmanuel K. Dogbevi

The most pragmatic, important document that sets the tone for the transformation of Africa's mining sector, the African Mining Vision (AMV) is said not to be widely known.

Dr. Yaw Graham of the Third World Network, pointed that fact out when he made comments during the Plenary 2 Roundtable on Mineral Resources for Africa's Development at the Eighth African Development Forum (ADF VIII), Tuesday 23 October, 2012.

"The AMV is still not widely known and its implications appreciated and debated by African citizens as well as most African state institutions and officials," Dr. Graham said.

According to him, the AMV posits a paradigm shift away from the mining and development regime which has dominated African mining since the colonial times save for the brief period in the 1970s and 80s when African governments nationalized mines and tried but failed to restructure the mining sector's role in Africa's economies.

Dr. Graham believes that the analyses underlying the Vision and its objectives strongly resonate with the criticisms within African society and the expectations of citizens.

"The substantial convergence it offers between citizens and governments on the fu-



Dr. Yaw Graham, Third World Network

ture of mining and development is a major achievement.

"However the AMV is still not widely known and its implications appreciated and debated by African citizens as well as most African state institutions and officials.

He therefore argued that the success of the AMV requires long term multi-sectoral policies, institution building, as well as the transformation of existing power relations.

"It is therefore urgent that African governments, RECs, AU, ECA and AfDB work with African civil society (including the trade unions), researchers and private sector to build the broadest possible stakeholder base within African society sector as well as across public institutions," he said.

Adding that, "This will not only firmly root the legitimacy of the AMV but also pro-

Continued on page 4

UNECA joins world to celebrate UN Day

By Groum Abate

The United Nations Economic Commission for Africa (UNECA), one of the UN's five regional commissions, joined the global celebration of this year's 67th UN Day.

UN Day marks the anniversary of the entry into force in 1945 of the UN Charter. With the ratification of this founding document by the majority of its signatories, including the five permanent members of the Security Council, the United Nations officially came into being.

October 24, has therefore, been celebrated as United Nations Day since 1948. In 1971, the United Nations General Assembly recommended that the day be observed by Member States as a public holiday.

During the anniversary, Under Secretary-General and Executive Secretary of the UNECA Dr. Carlos Lopes delivered a message from the UN Secretary General Ban Ki-moon regarding the day.

Lopes... Continued from page 1

Commenting on land issues in Africa, he said, the case of land is equally telling.

He indicated that Africa has 60% of the world's uncultivated arable land, and this, he said, means that most of the available land to feed a rapidly growing global population will have to be found on the continent.

"However, current crop yields are low and land issues are caught up in the vortex of economic needs versus cultural and historical rights," he said.

Dr. Lopes said, similarly, Africa has forest resources covering over 23% of its land area.

"Notable in this regard is the Congo Basin, which is the second largest forest in the world - it offers livelihoods to up to 60 million people. This is a valuable resource, both in the context of climate change as well as the demand for forest services, which is expected to rise globally. The same can be said about fisheries and aquaculture endowments which, if properly managed, could be more valuable than familiar non-renewable resources," he said.

He argued further that, given these vast endowments, the question that arises is why the continent continues to struggle with limited economic transformation, and scarce employment. Certainly it is not due to lack of exploitation! he said.

According to him, mineral resources continue to attract high levels of foreign direct investment and account for the highest share of economic activity in four out of every five African countries. Land resources are also being exploited with up to 754 land deals, covering over 56 million hectares, already concluded.



Stephen Karingi, Director of the ECA Regional Integration and Trade Division

In Burkina Faso alone, the share of the mining sector in exports expanded from 2% to 41% in the last five years.

"The conclusion that can then be drawn from this situation is that the current resource-for-development model is not working to bring about equity or boost development," he said.

Citing the on-going Glencore-Xstrata merger he explained why that was a good starting point to show why this is the case.

He said Glencore is a commodities trading and mining company that is headquartered in

the small village of Baar, in the Zoug canton of Switzerland, a country with no mining activity.

"The company operates mostly in the Democratic Republic of Congo, but it is worth more than the economy of that resource-rich country. Xstrata, another mining company, is also based in Switzerland. Their on-going merger will create a \$70 billion mining powerhouse, which will be the fourth largest in the world. It will create a vertical integration of mining and trading operations that will control over half of the global zinc and copper markets. We are therefore compelled to ask just how much of the value created by the merger will benefit the Democratic Republic of Congo?" He queried.

He pointed out that the Glencore-Xstrata merger underscores the need to address the important issue of resource ownership, and control and the distribution of benefits from mining operations.

"Of the twenty major mining companies currently operating in Africa, only Anglo-Gold Ashanti is home-grown. Moreover, while ownership of mineral resources is vested in the State, nearly all mining operations are foreign-owned, with marginal local ownership. Indeed, the current mining model

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is essentially that of an enclave industry, with very weak links with other economic and social sectors," he said.

Firms import nearly all their inputs and export nearly all output without processing, associated export earnings seldom enter the national economy and the most important tasks are performed by expatriate labour, he said.

In his view, a sector that exists in this form is surely not sustainable in the long-run and it cannot underpin Africa's long-term social and economic transformation.

"This model of extraction has to be examined in a sober and realistic context. It must be understood that seeking a greater share of benefits from national patrimony cannot be reduced to just resource nationalism," he said.

Noting that in the last ten years commodity prices have hit a super-cycle, yet Africa's share of windfall earnings have been minuscule, compared to what mining companies have realised, he indicated that the average net profits for the top 40 mining companies grew by 156% in 2010 whereas the take for governments grew by only 60%, most of which was accounted for by Australia and Canada, two countries that graciously want to share their experience with Africa.

Continued on page 3

UN Day... Continued from page 1

The Secretary General called on all UN organs and member countries to reaffirm individual commitment and collective resolve to live up to the ideals of the United Nations Charter to build a better world for all.

He further said, "We are living through a period of profound turmoil, transition and transformation. Insecurity, inequality and intolerance are spreading. Global and national institutions are being put to the test. With so much at stake, the United Nations must keep pace across the spectrum of its activities — peace, development, human rights, the rule of law, the empowerment of the world's women and youth."

"There has been important progress on many fronts. Extreme poverty has been cut in half since the year 2000. Democratic transitions are under way in many countries. There are encouraging signs of economic growth across the developing world" he added.

He also called for intensification of efforts to reach the targets of the Millennium Development Goals that will come to an end in 2015.

"We must prepare a bold and practical post-2015 development agenda. And we must continue to combat intolerance, save people caught in conflicts and establish lasting peace," he said.

"The United Nations is not just a meeting place for diplomats. The United Nations is a peacekeeper disarming fighters, a health worker distributing medicine, a relief team aiding refugees, a human rights expert helping deliver justice."

After the speech the UN flag raising ceremony was conducted in the presence of representatives of different UN agencies, the diplomatic community based in Addis Ababa and other invited guests.

The Executive Secretary also planted a tree, which is an annual event used to create environmental awareness.

The United Nations was founded in 1945 by 51 countries committed to maintaining international peace and security, developing friendly relations among nations, and promoting social progress, better living standards and human rights.



Members of the UN Security Honour Guard raising the UN flag



Antonio Pedro, Director of the ECA Eastern Africa Sub-Regional Office

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Lopes... Continued from page 2

“Indeed, most African countries got much less than this due to generous tax holidays given to mining companies! Looking at the issue from another dimension, the profit made by the same set of mining companies in 2010 was \$110 billion which was equivalent to the merchandise exports of all African LDCs in the same year. It is fair to say therefore that the resource-to-development model puts raw materials suppliers at a significant disadvantage,” he said.

He cited other examples of inequitable returns to other African natural resources.

A lot of illegal and unreported fishing takes place in African waters, he said, the annual losses amounting to \$629 million can cover the infrastructure funding gap of a country like Mozambique, which is very dependent on fisheries.

Similarly, in the case of Somalia its revenue losses from illegal fishing could easily have funded the United Nations coordinated development programme for 2011, covering poverty reduction, governance, rule of law, security, gender and HIV/AIDS, he added.

“Given this state of affairs, it is imperative that we exercise greater strategic control over our natural resources. Rising purchasing power in emerging global players is indeed increasing demand for natural resources. It is important for Africa to retain and capture more value. Similarly, the extensive agricultural land leased or sold to meet global food security challenges should be configured to meet Africa’s food security and other needs first, now and in the future. The same considerations apply to logging particularly the export of low-value unprocessed wood products,” he said.

He also cited the well known link between natural resources exploitation and conflicts which, of course, impacts on development. Poor governance of the natural resources sector has led to conflicts that are fuelled by many grievances, he said.

“They arise from excluded or disenfranchised groups, issues of access, rights, perceptions of unfair distributions of benefits or, indeed, the business of war! Classic cases include diamonds related conflicts in Angola, Sierra Leone and Liberia; the case of gold, diamonds, coltan and other minerals in the Democratic Republic of Congo; and so on. The insurgency and unrest in the Niger Delta was also caused by similar factors,” Dr. Lopes said.

According to him, structural measures to address grievances and improve transparency, and overall governance of the sector, will require time and concerted effort by all stakeholders.

“There are related short-term actions that could give us quick wins. Internationally, we welcome the Dodd Frank Act and similar efforts by the European Union Commission to adopt legislation requiring publicly traded and private EU companies to disclose payments to governments made in exchange for oil, gas, mineral and forest resources. These actions need to move from paper to reality,” he said.

He shared a few principles, he said might put Africa firmly on the path to using Africa’s natural resources wealth for its benefit.

“First of all, we need to embed long term development objectives firmly into the processes for extracting natural resources. To take the example of mining, our current focus seems to be mainly on collecting taxes, whereas it should be on using the sector and its resource rents to drive socio-economic development. This means investment in infrastructure, research and human capital development, through conditionality for local content. This is what other regions have done, this is what Africa needs to do,” he said.

Secondly, he said Africa’s natural resources sectors must become socially and environmentally accountable. This implies increased

participation, so that a broader share of citizens contribute to policy and benefits from economic and social returns in the natural resources sector, including gainful employment.

“One is sadly reminded in this instance about the Marikana tragedy in which 34 people lost their lives. While the headlines have focused on the violence and economic impact of the incident, there is an untold story of marginalised workers and limited communal benefits.

“Marikana illustrates the power asymmetry between mining companies and its workers on the one hand, and the lack of institutional protection of workers and communities on the other. It is about workers who cannot survive on R4000 a month because they have to pay R800 rent for one room in corrugated iron shacks, pay their living expenses and also send money to their families back home,” he said.

Adding that, it is also about inadequate social infrastructure, including for health services which are vital for people working in such onerous conditions. This is an untenable situation. Mining companies are reaping super profits and platinum prices extracted in mines such as Marikana have increased four-fold since 1992. The desire for economic gain must be balanced by good environmental stewardship and real corporate social responsibility, he said.

Thirdly, he said Africa needs to make a significant push to use natural resources as a springboard for diversification and eventual industrialization. However, he said this would require policies that deliberately encourage innovation and that establish local content goals. It would require ensuring backward and forward linkages to promote internally



articulated economies and regional value chains, he said.

Fourthly, he said Africa needs to continuously build human and institutional capacities, to create knowledge based and competitive natural resources sectors.

“This requires strengthening our bargaining power to negotiate better contracts. Notable examples are unjustifiable tax holidays, illicit financial flows, or poorly articulated resources for infrastructure swaps. It will also mean building up domestic capacities and skills to participate in the natural resources value chain. Similarly, our institutional frameworks and political processes must steer the natural resources sector in such a way that its supports transformation,” he said.

He was however, optimistic that Africa has made strides to formulate credible blue-prints such as the African Mining Vision and the Land Policy Initiative, which if implemented will bring inclusive growth and economic transformation.

“We need now to start operationalising such frameworks. To sum up, we have to shift focus from the short term and limited financial benefits to long term development options. This is a joint responsibility of governments, private sector, civil society organizations and ordinary citizens, shareholders and workers. It is in this context, that I would like to thank partners who have been very supportive of our efforts to establish an African Minerals Development Centre,” he said.

African countries urged to appropriately harness agric land for food security



By Emmanuel K. Dogbevi

Africa has abundant land, and yet the continent is teetering at the brinks of food insecurity, poverty and hunger.

The continent has therefore been called upon to appropriately harness its agriculture land to contribute to reducing the yield gap, achieve food security, and catalyze a structural economic transformation that boosts employment and income.

In a presentation at the African Development Forum (ADF VIII), Joan Kagwanja of the AU-ECA-AfDB Land Policy Initiative, said there is the need for African countries to identify and map land taking note of current, planned land use.

She also called for the noting of ecosystem services, land rights, interests, and claims on the land before embarking on large scale land based investments.

Ms. Kagwanja emphasised that Africa has the potential to harness (small- and large-scale) domestic and foreign investments on its agricultural land to enhance technology, infrastructure, irrigation, mechanisation, market access and value-adding processing.

She urged African governments to consider what policy frameworks, guidelines and principles should define modalities for access to land by both domestic and foreign investors, indicating that recognition and security of land rights for local communities and investors must be observed.

Among other factors, she urged African governments to consider environmental sustainability and climate change issues as main concerns, and therefore, should form part of principles and contractual arrangements on land.

She also indicated that women and vulnerable groups should be given special attention.

The biennial conference jointly organised by the UNECA, the African Union Commission and the African Development Bank is under the theme “Governing and Harnessing Natural Resources for Africa’s Development”.

Being held in Addis Ababa, Ethiopia, it ends on Thursday October 25, 2012.

Artistic end to ADF VIII

By Omer Redi



Group photograph of the artists and the producers

The Economic Commission for Africa (ECA) has deployed various mechanisms to convey to the wider public the theme of the eighth edition of the African Development Forum (ADF VIII) which concludes this afternoon.

It has, for example, brought a group of African artistes including the legendary reggae singer, Nigerian, Ras Kimono, to the emerging star in the same genre, the Ethiopian Jahlude.

The artistic edge of the ADF VIII is so impressive that this group of artistes from around Africa have done a brand new song together on the theme of the Forum - "Governing and Harnessing Natural Resources for Africa's Development".

Ras Kimono, the 2004 Kora Awards Winner, Tsedenia Gebremarkos, the new generation reggae artistes in Ethiopia - Jahlude and Eyob Mekonnen - as well as Rogatien Ibambi

(alias Roga Roga) of the Democratic Republic of Congo are in the group that are all set to entertain participants this afternoon as part of the closing ceremony.

These acclaimed vocalists and other renowned composers have been rehearsing over the past week mainly on the new group song that highlights the paradox of Africa - the continent being the richest in natural resources yet most of its people can't extricate themselves from the quagmires of daunting poverty.

The crown of the team, Kimono, has been promoting African causes for decades through his reggae music.

Kimono served a long apprenticeship on the Nigerian music circuit, experimenting with a number of styles, before making his late 80s breakthrough as a reggae singer. Together with his Massive Dread Reggae Band, Kimono released his debut album, 'Under Pressure', in 1989.

African Mining Vision...

Continued from page 1

vide the political base for a collective engagement with the challenges of implementing and coordinating policies for the AMV's success."

Dr. Graham called on Africa's institutions and governments to ensure policy coherence and coordination across sectors and among themselves and in international fora.

Asking questions, he said, "For example what are the implications of the bilateral investment treaties that African countries are signing, in their search for foreign investment, for industrial policy, local enterprise development and possibilities for mineral beneficiation?"

"How will the Economic Partnership Agreements with the EU affect future policy space needed for the realisation of aspects of the AMV? How will the planned Africa Continental Free Trade Area (CAFTA) take account of the Africa Mining Vision?" He asked.

Commending the effort, he said, the AMV is the latest in a line of laudable African inter-governmental policies and processes aimed at the structural transformation of Africa's economies.

According to him, the Lagos Plan of Action (LAP) 1980, the African Alternative Framework to Structural Adjustment Programmes (AAF-SAP) 1989 are just two examples.

He however, accused African leaders for letting themselves and their citizens down in respect of both the LAP and AAF-SAP.

He said African governments have failed by not implementing decisions they had taken, partly because of external pressure and inducement to implement donor designed policies "wrapped up in the sweetener of aid which have ended up maintaining the status quo of Africa's underdevelopment and subordinate location in the global economy," he said.

Dr. Graham pointed out that today there are other mining reform frameworks which compete with the AMV which some donors are actively pushing around the continent with the offer of aid and illusory short term benefits.

"It is important that African institutions and governments remain focused and act in a coordinated manner around the AMV," he urged.

The AMV was adopted by African Heads of State at the February 2009 AU Summit following the October 2008 meeting of African Ministers responsible for Mineral Resources Development.

On Friday December 16, 2011, the African Ministers responsible for Mineral Resources adopted the African Mining Vision and Action Plan resolving to act to reform the continent's mining sector for the good of the continent at the 2nd African Union Conference on a Sustainable Future for Africa's Extractive Industry in Addis Ababa, Ethiopia.

"I have been shouting about climate from back in the days," he told 'ADF Today'. "This Time I will be performing with Roga Roga, Tsedenya, Jahlude and Eyob".

In his own words, he says he is happy performing with young Pan-African artistes. "It is good they are free minded people. I composed the (group) song and every one came and listened. Fortunately, even those who don't speak English when they heard it, they wrote similar themes in their languages which was similar to what I wrote."

The song is all about mineral resources. "We have enough...in Africa ... we are living in

abundance and there are people who are living in hunger, it is a shame" Kimono said.

"Issues pertaining to Africa particularly to the paradox of us being a continent endowed with the richest of natural resources but remaining poor is something that I am willing to take part to resolve," the emerging Jahlude, who declined any form of compensation for his

performance told 'ADF Today'.

Jahlude emerged on the Ethiopian reggae music scene early this year with his first ever album. The album is still among the top preferred in the country. Despite being the new kid on the bloc who has not accumulated wealth, he refused to take payments to perform as part of the group due to his conviction that this is part of his Pan-African responsibility. Instead, he thanked the ECA for creating this opportunity for African artistes to promote a Pan-African cause.

"In fact the theme of the ADF VIII is a very interesting one that I would like us artistes to continue collaborating with ECA to promote such causes in a sustainable way," Jahlude said.

Eyob on his part stated that "music has a unique power of remaining in the hearts of many, of reaching to millions, if not billions, and a sense of permanence in the minds of people. I think ECA should continue to use it as one mechanism of promoting its messages".

Tsedenya, on the other hand, emphasized on the networking opportunity the ADF VIII has created for Pan-African artistes hence suggested on the continuation of such trends.

What is interesting, however, is that all these artistes share a burning sense of rage from seeing their continent remaining the poorest - where its children continue to die of hunger while being the richest in natural resources. And they are determined to keep the flame of hope for the prosperity of Africa alight through their artistic performance.