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Governing and Harnessing Natural Resources for Africa's Development

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REPORT



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Contents

I.	Opening session	1
II.	Plenary session 1: Roundtable on Governing and Harnessing Natural Resources for Africa’s Development	3
III.	Plenary session 2: Roundtable on Harnessing Mineral Resources for Africa’s Development: Anchoring a New Vision	9
IV.	Plenary session 3: Roundtable on Governing the Risks and Opportunities of Large-scale Land Investments for Africa’s Development	15
V.	Plenary session 4: Roundtable on Harnessing Fishery Resources: Swimming the Tide for Africa’s Development	17
VI.	Plenary session 5: Roundtable on Seizing Green Growth Opportunities in the Forest Sector for Africa’s Sustainable Development	20
VII.	Plenary session 6: Open-ended discussion on the Draft Consensus Statement	45
VIII.	Plenary session 7: High-level reflections on key messages	45
IX.	Closing session.....	47

I. Opening session

Opening Remarks by H.E. Dr. Carlos Lopes, United Nations Under-Secretary General and Executive Secretary of the Economic Commission for Africa (ECA).

1. Dr. Lopes began by welcoming H. E. Ato Mekonnen Manyazewal to the Forum and through him, thanked the Government and people of the Federal Democratic Republic of Ethiopia for their usual warm hospitality and their support to ECA. He also extended a warm welcome to the former President of Botswana, H.E. Festus Mogae; the new Chairperson of the African Union Commission, Dr. Nkosazana Dlamini Zuma; the African Development Bank Vice-President for Sector Operations, Mr. Aly Abou-Sabaa; and all the distinguished guests and participants. He also paid tribute to the late Prime Minister Meles Zenawi for his tireless efforts and his “noble” and “inspiring” contribution to the development agenda of the continent.

2. Focussing on the theme of the Forum, He noted the asymmetry in the sharing of the gains derived from Africa’s vast natural resources, whereby the mining companies received more shares than the African countries and their citizens. He reminded the Forum that Africa held large proportions of the deposits of the world’s natural resources: 75 per cent of global deposits of platinum; 50 per cent of global deposits of diamonds; 50 per cent of global deposits of chromium; and 5 per cent of global deposits of gold and uranium. Furthermore, over 30 African countries were now oil and gas producers; 60 per cent of the world’s arable land was in Africa; 23 per cent of the continent’s land surface was rich in forest resources; and the Congo Basin was the world’s second largest forest.

3. He remarked that African countries received smaller proportions of the profit sharing arrangements they have with the extractive industries as a result of the generous tax holidays enjoyed by the mining companies. He further pointed out that Africa lost nearly \$629 million annually through illegal fishing, equivalent to the amount required to finance the infrastructure deficit of Mozambique.

4. In order to achieve their development objectives, he called on African countries to integrate the harnessing of their natural resources in their long-term development agenda. This, he noted, could be achieved if African governments moved from merely tax collection to positively exploiting the mining sector to drive the development of infrastructure and human capital by incorporating conditions for local content in mining contracts. He also called for increased citizen participation in policymaking and in sharing the benefits derived from natural resources, so as to avoid tragedies similar to that which occurred in South Africa at the Marikana mines. He further called for the use of revenue from natural resources for the diversification and eventual industrialization of the economies of African countries.

5. In concluding, he called for the collective responsibility of African Governments, the private sector, civil society organizations, ordinary citizens, and stakeholders to ensure that the African mining vision (AMV) was fully implemented.

Opening Remarks by Mr. Aly Abou-Sabaa (Vice-President, Sector Operations, AfDB)

6. Mr. Abou-Sabaa, who represented Dr. Donald Kaberuka, the President of the African Development Bank, noted that the development of Africa's natural resources sector was key for the transformation of African economies. He suggested three critical factors that were needed to reverse the continent’s seeming natural resource curse into a blessing: (a) the need for responsible

investment for broad-based growth; (b) stronger governance frameworks; and (c) capable and responsive States.

7. He also stressed the need for improved legal and regulatory frameworks to produce multiplier effects in other sectors of the economies of Africa. He illustrated this point by observing that the African Water Facility (AWF) and the Land Policy Initiative (LPI) had yielded positive results because of their advocacy for the strengthening of legal and regulatory frameworks. He called on African countries to identify additional sources of revenue along the natural resource value chain for use in improving public services, without which public trust would quickly be eroded. He reported that the African Development Bank was assisting African countries through the African Legal Support Facility (ALSF) as well as supporting the implementation of the Extractive Industries Transparency Initiative (EITI).

8. He concluded by sharing that community-based natural resources management had proved to be successful in some countries and had led to stronger political governance. He suggested the identification and adoption of common principles and approaches to facilitate the more effective management of Africa's natural resources.

Opening Remarks by Dr. Nkosazana Dlamini Zuma (AUC Chairperson)

9. Dr. Dlamini Zuma called attention to the 50th anniversary of the African Union, which would take place in 2013. She viewed the anniversary as a prime opportunity for stock-taking and planning for the next 50 years. She suggested that the outcome of the present African Development Forum (ADF) should inform a long-term planning cycle for the continent. She raised a number of pertinent questions to provoke deep thought and discussion at the Forum.

10. She reminded the Forum that Africa was colonized owing to her abundance of natural resources and that the role of the continent in the global economy was defined by these resources. She argued that, had Africa utilized the proceeds from these resources well, the development of the continent would have accelerated. She therefore asked participants to objectively consider how Africa could harness its natural resources to support its development agenda.

11. She also underscored the importance of addressing the ownership of the continent's natural resources by asking what the right balance between foreign and national ownership of resources should be. She asked how much Africa should give away and how much should be kept. She questioned why growth in Africa was not generating high-quality jobs and working conditions that mirrored those of other regions. She highlighted the need for fair compensation, as well as strengthening forward and backward linkages of the extractive industries with the national economy.

12. The Chairperson of the AUC called into question the handling of the environmental impact of the exploitation of natural resources. She recalled the corrective measures taken following the Gulf of Mexico oil spill and asked how Africa could put in place such responses. She suggested that appropriate legal frameworks were required to safeguard and protect Africa's environment. She further called for the requisite legal and regulatory frameworks to support Africa's efforts towards green growth. She urged African countries to protect their coastlines against the illegal exploitation of marine resources. She concluded by underscoring the importance of boosting bio-genetic research for agricultural development, as well as investing in human capital development with particular emphasis on women and youth.

Opening Statement by H.E. Ato Mekonnen Manyezewal (Minister of Industry, FDRE)

13. Ato Manyezewal welcomed participants to Addis Ababa, which he referred to as their “second home” in light of the presence of the African Union and the United Nations Economic Commission for Africa. He lamented the high volume of illicit financial flows in excess of \$50 billion a year from the extractive industries. He noted that while the prices of commodities increased, Africa had not commensurately benefited from the windfall as poverty remained high and wide-spread on the continent. He further called for the industrialization of the continent to enhance value addition to raw commodities as well as measures to prevent illegal fishing, deforestation, and other illegal activities.

14. He therefore urged participants to explore the issues raised by the speakers preceding him with the view of making recommendations on how Africa could use its abundant natural resources to embark on an inclusive economic transformation, underpinned by good governance.

15. He expressed his pleasure with the adoption by the Africa Union of the African Mining Vision (AMV) and at the same time stressed the need for a developmental State with visionary leadership that was truly transformational. He highlighted Ethiopia as a case in point, attributing the strong growth and transformation plan to the late Prime Minister Meles Zenawi to whom he paid tribute for his vision and leadership. He noted that some of the reasons for Ethiopia becoming one of the fastest growing economies in the world were good policies, ownership of its natural resources, as well as its visionary leadership. He called for citizen-empowerment policies, which must be integrated at all levels of Government. He underscored the need for greater domestic savings and asked that African countries integrated climate resilience green economies into their plans through: (a) productive agriculture; (b) protecting forests; and (c) expanding green energy development.

16. He also called for natural resource-driven transformation to be integrated into Africa’s development agenda. He urged African countries to use regional integration as a strategy for scaling-up economic development. He argued that the development approach must also result in greater skills-building and innovation. He concluded by highlighting that Africa’s greatest problem was perhaps its poor ability to translate Action Plans into real actions.

II. Plenary session 1: Roundtable on Governing and Harnessing Natural Resources for Africa’s Development

Opening Remarks:

17. Mr. Lopes welcomed the Honourable Prime Minister of the Federal Democratic Republic of Ethiopia. He expressed his appreciation for the Prime Minister’s support to ECA and its partners and highlighted the importance of natural resources for Ethiopia’s development. He highlighted some key challenges of governing and harnessing natural resources in Africa which included the lack of full ownership and the marginal share Africa received from the revenues generated from exploitation of its resources. He noted that corrective measures were needed so that Africa could benefit fully from its natural resources and the revenues derived could be used to support an agenda of economic transformation.

H.E. Mr. Hailemariam Desalegn, Prime Minister of the Federal Democratic Republic of Ethiopia

18. Prime Minister Desalegn acknowledged the importance of ADF in promoting Africa's economic and social development. He noted that the theme of the ADF was timely and of monumental importance. He remarked that Africa continued to be characterized by a stark dualism: abundant resources on the one hand and abject poverty on the other. He further noted that despite its ownership of abundant natural resources, Africa's share in global GDP stood at a miniscule 2 per cent. He called on Africans not to accept the resource-curse doctrine that suggested that the abundance of resources in and of itself had a negative effect on the development of the continent because resources might lead to corruption and under-performing private sectors. He emphasized that resources were ultimately valuable and beneficial and therefore Africa's failure to judiciously use the revenue for development highlighted inadequate policies governing natural resources. Noting that African countries continued to extract resources in the same way as they did during the colonial era, the Prime Minister urged African countries to add value to their natural resources as well as link the natural resource sector to other sectors of their economies.

19. He called for good governance of the natural resource sector which should include policies that ensured transparency in revenue and spending. He highlighted the example of Botswana as a country that had used natural resources to move from a low to a middle income country. He argued that in order to utilize resources in the most effective way, countries must utilize public-private partnerships, extract resources judiciously and invest revenues wisely. The Prime Minister spoke of Ethiopia's success in gaining \$500 million revenue in the past fiscal year from mining, its strategy for modernizing agriculture and linking the agricultural sector to the industrial sectors. He urged African countries to pay particular attention to climate change, environmental sustainability and the green economy.

20. He concluded by highlighting that implementing successful policies had been hindered by lack of funding and creativity in policymaking. He therefore challenged that the deliberations of the ADF should shed light on the issues faced, to generate innovative ideas, solutions and policies for harnessing and governing natural resources.

Roundtable on Governing and Harnessing Natural Resources

Moderator: Ms. Uduak Amimo

21. *Summary of the issues, or problems raised:* The Roundtable discussion focused on how African countries could best govern and harness natural resources for equitable, sustainable and inclusive growth and economic transformation. Speakers addressed key issues such as governance, industrialization, capacity-building/skills training, the Africa Mining Vision (AMV) and national ownership. Ensuing discussions focused on environmental sustainability, gender equality, community benefits, the African Peer Review Mechanisms (APRM), capacity-building and how countries could accurately assess resource endowments.

Summaries of the presentation of high level panellists

22. **H.E. Mr. Regis Immongault, Minister of Industry and Mines (Republic of Gabon):** Minister Immongault presented his country's experience in natural resources. Gabon, like most African countries, had abundant natural resources. In particular, Gabon was the world's second largest producer of manganese, and the government had committed to utilize this resource for economic transformation, rather than just for economic growth. Gabon was doing this through commitment to equity participation, improving sectoral linkages, promoting private-public

partnerships, and enhancing administrative frameworks and legislation. He highlighted the potential for African countries to utilize their resources for industrialization and economic transformation.

23. **Ms. Lisa Rauter, Assistant Director General for Australian Agency for International Development (AusAid):** Ms. Lisa Rauter reported that Australia shared Africa's vision to obtain higher results in development from transparent and equitable natural resource extraction. The Australian government, she noted, aimed to support African countries to build the capacity needed to better govern and manage natural resources in a way that promoted sustainable and equitable economic development. Australia was partnering AUC, ECA and AfDB to establish the African Minerals Development Centre (AMDC), an African-owned and established platform for African countries to build capacity and create effective policies for mining. Through AMDC, Australia would share lessons learned from their mining experience, specifically on how to build skills in the mining sector and how to utilize revenues from mineral resources to support development.

24. **Richard Duffy, Executive Vice President of AngloGold Ashanti:** Mr. Duffy commended participants for coming together to address issues of natural resources management. He welcomed the adoption of the AMV and highlighted that it provided the continent with the right framework to harness natural resources for its economic growth and transformation. He emphasized that ADF provided an avenue for addressing the issue of resource nationalism. AngloGold Ashanti, he said, supported mining efforts through a broad-based approach, which sought to link mining to social development outcomes. He argued that reliance on expatriate labour was a major weakness, and thus African countries must invest in building the capacity of their local workforce. He informed the Forum of the African Mineral Skills Initiative (AMSI), a partnership between AngloGoldAshanti and ECA, which aimed at developing skills in the mining sector in Africa, in a holistic manner, comprising skills and disciplines beyond the ones traditionally associated with mining, such as integrated strategic spatial planning and development. He noted that this initiative was in line with the vision of AngloGoldAshanti of building strong partnerships for the promotion of the development of natural resources.

Discussion

25. *Governance and APRM:* The Forum noted that effective and transparent governance of natural resources was essential for African countries to maximize the full potential of the natural resource sector. Given its success and progress in accessing and evaluating political and economic governance, the Forum called for the expansion of the APRM to include the governance and management of natural resources. This would ensure good governance, transparency, good management and efficiency in the exploitation of Africa's natural resources. Noting that APRM was voluntary and not mandatory, the Forum emphasized the need for the development of a monitoring and evaluation framework for the management of Africa's natural resources to support the APRM.

26. *Capacity-building and skills development:* The Forum noted the capacity gaps in government, private sector, CSOs and communities in the exploitation and management of natural resources. Government lack of capacity in negotiating contracts was identified as a major challenge. The Forum emphasized that capacity-building should be broadened beyond the capacity in mining and be focused on a broad range of skills including those needed in other subsectors of the natural resource sector. In this regard, the Forum welcomed and applauded the AMSI as an approach to close a broad range of capacity gaps. The Forum called for greater attention in strengthening the capacity for contracts negotiation so as to ensure that African governments were better able to derive optimal benefits from mineral development agreements and contracts. It was also suggested that AMSI could draw from lessons learned and work already undertaken under the African Mining Partnership (AMP), which focused on African centres of excellence in mining.

27. *Resource nationalism, social development and community benefits:* Concerns were raised over the issue of rising resource nationalism. The Forum noted, however, that resource nationalism should not be viewed in a negative light, but rather positively as it reflected existing inequities in current mineral regimes and the desires of countries to maximize benefits from mining for social development. The Forum therefore called for equitable mineral regimes and urged African countries to use revenues from mineral resource exploitation to provide tangible benefits for communities.

28. *Geological information:* The Forum noted that most African countries did not have adequate information on the quantity and quality of their mineral resource endowments, hindering their capacity to effectively negotiate beneficial agreements with investors. The Forum called on African countries to undertake a complete mapping of all of their resource endowment. The Forum therefore urged the countries to invest more in building the capacities to undertake the mapping so as to obtain complete geological information and strengthen their bargaining power.

29. *Policy, legal and regulatory frameworks:* The discussion of the Forum on the subject centred on the need for greater transparency, better governance in the execution of mining contracts, sound policy, and legal and regulatory frameworks. Participants recommended that the review of such frameworks must consider social, environmental and post-mining issues. These frameworks should be implemented at both the national and continental levels.

30. *Economic transformation:* As it stands, natural resources were extracted and exported in their raw state with limited benefits from these products. For African countries to transform from extractive to productive economies, there must be a focus on value addition along the mineral value chain and this would enhance benefits from forward and backward linkages. In addition to government efforts, there was a need for multi-sector partnerships, with technical cooperation and investments from the private sector. Furthermore, it was essential for governments to wisely reinvest returns from mineral resources into other productive sectors and use mineral wealth to build other forms of capital (e.g. human and physical) that outlast the currency of mining.

31. *Infrastructure development:* It was acknowledged that lack of infrastructure was an impediment to regional integration and a major constraint to transforming African economies. Participants recognized the potential of resource corridors and resource-driven infrastructure to expand Africa's infrastructure stock given that high mineral rents provide the right business fundamentals to support expensive trunk infrastructure. The Forum called for such trunk infrastructure to be used as a basis to open up opportunities in other sectors of the economy that generate lower rents. It also called for better resource for infrastructure deals (R4I) that maximized local content and created value added extractive industries. Participants, urged member States to pursue new approaches and explore the use of public-private-partnerships (PPP) and cross-border initiatives to develop their infrastructure.

32. *Environmental degradation and resource depletion:* Several participants expressed concern over the negative environmental impact of natural resource extraction. Gaps in capacity of governments to monitor environmental regulations compliance were underscored. In addition, concern was expressed over the aftermath of productive life of extractive activities which left the environment degraded, host communities run-down and high unemployment. The participants therefore urged governments and mining companies to adequately plan extractive activities, address their potential to damage the environment, strengthen capacity of governments to monitor and enforce compliance and plan for closure of activities. The management of cumulative environmental impact in large mining districts were considered a particular cause of concern, given these capacity gaps. To better manage the impact of the closure of mining activities, the Forum

recommended the use of resources gained from mining to invest in other economic activities and diversifying the skills of the workers in affected communities.

33. *Artisanal and small-scale mining:* Several participants highlighted the role of Artisanal and Small-scale Mining (ASM) in African mineral exploitation, employment generation and rural development. They lamented several constraints affecting the ASM sector including marginalization, inadequate access to technical and financial support as well as gaps in government policy and practice to harness the full potential of ASM to national development. Participants therefore argued for the formalization of the sector and its inclusion in broader national and regional development programmes.

34. *Small and medium-enterprises and local contracts:* Several participants highlighted the importance and potential of SMEs in developing the mining sector. They highlighted the current sub-optimal contribution of SMEs and suggested some ways of enhancing SMEs' contribution to national development, particularly in the provision of goods and services to the sector. Participants urged member States to embed the role of SMEs in the supply chain through local content and local contract initiatives.

35. *Gender:* Participants observed that although women played a significant role in the ASM sector, their contribution was often understated, ill-captured by national statistics and therefore they did not benefit from official support to maximize their contribution and benefits. The participants agreed that the role of women in mining, especially in small-scale mining, could no longer be ignored. AusAid informed participants of their "Women in Mining Study Tour" which aimed at sharing experiences and strengthen skills amongst women miners. Participants therefore urged member States to formulate gender equitable policies that recognised the role and contribution of women in ASM and provide requisite support to optimize their contribution to and benefits from the sector returns.

36. *Corporate social responsibility:* Participants urged mining companies to integrate social and environmental concerns into their business missions and operations, and in their interactions with all stakeholders. This was a requirement for companies to acquire their social licence to mine. They argued that this ethical behaviour would contribute to the economic development of the host countries while improving the quality of life of the workforce, their families and the local community hosting the company activities and society at large. They acknowledged that corporate social responsibility was a win-win situation for both the communities and the mining company, as investing in social development would promote better community relations and provide long-term benefits for both. Participants therefore recommended that mining companies be required, as a statutory obligation to develop corporate social responsibility programmes. The programmes should be integrated in local development plans.

37. *Regional integration:* Participants recognised the importance of regional integration as a means to reducing transaction costs, facilitating factor flows, and building economies of scale which could optimize mining operations. They welcomed the efforts of Regional Economic Communities (RECs) to develop regional frameworks for harmonization of policies, laws, regulations, standards and practices in the mineral sector, in line with the AMV. They called for a scaling-up of the harmonisation effort. Participants also observed that African countries often had shared natural resources spreading across their borders and optimal exploitation of these resources required cooperation and coordination among the countries. Participants therefore urged member States to strengthen regional integration and cooperation for the development of infrastructure and the exploitation of mineral and other natural resources.

38. *Country experience sharing:* Participants welcomed country experience sharing under the auspices of AUC/UNECA/AfDB as a way to learn from, and formulate, effective policies for natural resource management. They observed that while Botswana was consistently cited as a good example of mineral resource management and economic transformation, provision of specific lessons from what Botswana had done would be more helpful. In addition, useful lessons could be drawn from the experiences of countries that had sub-optimally utilized proceeds from their natural resource sectors for economic growth and transformation.

Conclusions and Policy Recommendations

39. In light of the above, participants recommended the following:

- The African Union should strengthen the APRM to include governance and management of natural resources with a long-term view to becoming mandatory as opposed to its current voluntary nature;
- Local capacity-building initiatives should aim at strengthening the skills base in the natural resources sector beyond the minerals subsector. These initiatives should focus on local institutions and address skills deficiencies in all relevant areas (technical, governance, contracts negotiation etc.);
- Proceeds from the mining sector should be used to address local, national and regional development challenges (education, employment, infrastructure development etc.);
- Member States should provide budgetary resources for, and build capacities in the collection of basic geological information;
- Member States should develop transparent legal frameworks and legislation for the mining sector that are aligned to the AMV and address social, environmental and post-mining issues, in order to maximize national benefits;
- Member States should formulate policies that promote value addition in the mineral sector to enhance their economic transformation;
- Member States should pursue new approaches to infrastructure development, including through using trans-national and joint initiatives with the private sector (for example through public-private partnerships) in order to enhance value addition in the extractive industries;
- Member States should strengthen their capacities for monitoring environmental degradation, and formulate policies requiring mining companies to effectively plan for resource depletion and mine closure;
- Member States should integrate ASM issues into regional development plans and poverty reduction strategies;
- Member States should formulate and implement policies for local content and local supply contracts within the mineral sector that maximise contribution of SMEs;
- Member States should formulate appropriate policies that recognize the role and contribution of women in artisanal and small-scale mining and provide the requisite support to optimize their contribution to, and benefits from the sector;
- Member States should ensure that licence for mining companies to operate includes requirements for incorporating adequate corporate social responsibility programmes;
- All member States should align their policies to the AMV and strengthen regional integration and cooperation for development of infrastructure and exploitation of mineral and other natural resources; and
- The AUC/UNECA/AfDB should facilitate learning events to share lessons from successful and less successful experiences in mineral resources sector management and disseminate these lessons to member States.

III. Plenary session 2: Roundtable on Harnessing Mineral Resources for Africa's Development: Anchoring a New Vision

Moderator: H.E. Mr. Maxwell Mkwezalamba, Commissioner, Economic Affairs, African Union Commission (AUC)

Presenter: Mr. Antonio Pedro, ECA Director of SRO-EA Speakers:

1. H.E. Sinkinesh Ejigu, Minister of Mines, Federal Republic of Ethiopia
2. Rt. Hon. Clare Short, Chair, Extractive Industry Transparency Initiative
3. Mr. Supachai Panitchpakdi, Secretary General, UNCTAD
4. H.E. Mrs. Isabel Cristina de Azevedo Heyvaert, Ambassador of Brazil to Ethiopia
5. Mr. Herve Guilcher, Environmental Programmes Director, World Resource Forum
6. Mr. Yao Graham, Executive Director, Third World Network Africa
7. Prof. Raphael Kaplinsky, Professor of International Development, Open University

Summary of the issues or problems raised:

40. Mr. Pedro presented the Issues Paper prepared for the plenary session. He noted that while Africa was endowed with considerable amounts of mineral resources which presented an opportunity for broad-based economic development, their potential remained largely untapped in most countries due to structural and institutional challenges. He underscored the fact that most mining operations were enclaves integrated in external economies where inputs were externally sourced and products externally consumed. He identified many challenges, including: (a) irreversibility and finite nature of mineral resources; (b) intergenerational equity, taking into account the fact that there would be 2 billion Africans by 2050; (c) issue of legacy; (d) issue of distribution and investment of the wealth that was generated; (e) governance issues such as the use of the APRM as a tool to advance governance on the continent; (f) macroeconomic challenge and capacity and institutional challenges. He emphasized the importance of managing expectations and equitable distribution of benefits from natural resources as conflicts could arise if the populations and local communities felt disenfranchised. He also mentioned several barriers to sustainable exploitation such as Non-Tariff Barriers (NTBs).

41. He stressed that the main question was to figure out if Africa had a new window of opportunity. To answer this, he identified the following key strategic issues: (a) mineral resources were the natural capital of the continent and its comparative advantage; (b) increasing competition for Africa's mineral acreage; (c) rising demand for mineral commodities leading to global commodity price boom (super cycle); (d) improved governance scorecard resulting from CSOs having more voice, more frequent tripartite partnerships between governments, civil society and the private sector and the APRM including questions on Extractive Industries in the country questionnaire. There was also a more favourable political climate, including a shift in development paradigms; a more development-oriented policy framework for the sector; increasing corporate stewardship and imperatives on the social license to mine (new age miners) as well as the notion of shared responsibility (for instance Dodd Frank Act); and finally, the elaboration of the Africa Mining Vision (AMV). He highlighted the fact that the AMV was adopted in February 2009 by African Heads of State and Government as a blueprint for unleashing a resource-based growth and industrialization strategy on the continent. He also noted that the Second Conference of Ministers Responsible for Mineral Resources Development, held in Addis Ababa in December 2011, approved the establishment of the AMDC to implement the AMV.

42. He highlighted specific issues towards strengthening the developmental role of mining as: (a) policy, legal and regulatory frameworks; (b) the case of local content, investment treaties and international dispute settlements; (c) enhancing the linkages of the mineral sector to other economic sectors throughout the mineral value chain as a strategy for resource-based industrialization. Others were: (i) promotion of local content, local ownership and local and small-scale enterprise participation; (ii) addressing governance, equity, human rights and social issues, with an emphasis on the APRM as a superior tool to advance governance on the continent; (iii) enhancing the knowledge base through the promotion of geological mapping and mineral inventory as well as institutional capacities; and (iv) environmental, social and material stewardship through dispensations that go beyond Corporate Social Responsibility (CSR). The critical role of regional integration to avoid a race to the bottom but have a common voice and purpose was underscored.

Main points of the presentations and discussions, including the chair's summary

Speaker: H.E. Sinkinesh Ejigu, Minister of Mines, Federal Republic of Ethiopia

43. H.E. Ejigu reported that for ten years, there had not been a policy on non-renewable resources for Africa. Indeed, countries with natural resources had been viewed as “resource cursed”, where poverty had remained despite availability of rich resources. Nevertheless, there was hope if all stakeholders could contribute their respective quotas towards better management of these natural resources.

44. He recounted the experience of Ethiopia cautiously approaching policies on natural resource development. She reported that the agricultural sector of Ethiopia and infant mining (gold) sector were developing well with one million people directly working in the mining sector and about 5 million people working indirectly. She contended that Ethiopia was on the right track. The mining sector was emerging, it was a complex process, and technical assistance had been effective in protecting the environment. She pointed out three important issues that needed to be balanced: mining sector development, community development and the impact of mining activities on the environment. She reported that the strategy of Ethiopia was to attract investors as a strategy for development as long as they were development oriented.

45. With regards to the AMV, she pointed out that for the first time and since 2009, the continent had a common framework to develop the sector which had been endorsed at the Heads of State and Government levels. The AMV clearly defined the challenges ahead and had specific action plans. She contended that the effective implementation of the Vision could catapult the continent to harnessing its resources more effectively for its development and structural transformation.

Speaker: Rt. Hon. Ms. Clare Short, Chair, Extractive Industry Transparency Initiative

46. Rt. Hon. Short noted that the world was in a super-cycle for commodity prices, due to developments in China, India, and other emerging economies. Rising demand for minerals was leading to price hikes, increase in investment in Africa and the second “scramble for Africa.” She pointed out that the commodity boom had opened the opportunity for development in Africa. As a result, economic growth had been better in Africa, but unfortunately paired with inequality and marginal improvement in poverty. She argued that while it was likely that the boom would continue, more could be done to use resources for long-term development and poverty reduction.

47. Rt. Hon. Short raised an important issue regarding the difficulty in managing mineral resources, not only in Africa, but globally. She pointed out that there are issues related to locating mineral resources, licensing, risks to returns on investments, contracts and how beneficial they are to host countries, benefits sharing, the Dutch disease and related economic problems, all of which highlight the difficulty of managing the minerals sector. Moreover, revenue management, expenditure management and the weak accountability on the part of government to the people are also great challenges.

48. She argued that Transparency and Governance were part of the answer. The EITI offered a transparency framework increasingly being embraced, so far by 21 African countries. Securing resources and using massive resource potential required transparency and governance, for greater benefit to the people. She argued that while Africa had seen considerable improvement, it could receive better investments that secured growth, through a well-managed minerals sector with transparency and good governance. She urged African countries to play a more active and decisive role in shaping the reforms of the EITI, given their majority membership in the initiative.

Speaker: Mr. Supachai Panitchpakdi, Secretary-General, UNCTAD

49. Mr. Panitchpakdi reported that UNCTAD would like to be part of the process and backstop the AMV, and raised five major issues. He noted that the 2012 UNCTAD report focused on the structural transformation and sustainable development in Africa, highlighting the need for Africa to make use of resources in a more efficient manner and minimize impact on the environment. Africa was also to ensure that sectoral policies were adopted by government and not directed by market places.

50. He reported that in the annually produced competitiveness index (by the World Economic Forum) of 2011-2012 listing indexes of 194 countries, the top 20 ranks were not dominated by resource-poor nations (Norway and Sweden are more resource rich and top ranking). He argued that there was no economic correlation between richness in resources and competitiveness, and asserted that competitiveness depended on policies.

51. Africa had been opening up very quickly, and the more Africa had opened up, the more it had become intensely dependant on commodities trade. He argued that this was not the best approach and there was a need for assertive policies to address this. He noted that price volatility in commodities trade had been motivated to a large extent by “financialization” of operations in commodity markets drifting away from fundamentals related to supply and demand, which had spurred the recent financial crisis. He posed the question that with more than \$400 billion in derivatives markets in the world, how was Africa to deal with the issue of commodities trade.

52. Finally, he highlighted the issue of mining abuses in Africa as comprising the mismanagement of the sector, work safety, negative environmental impacts and ultimately poor conditions for workers. He argued that questions of CSR should be implemented by public and private sectors and the IFC should increase their CSR activities.

Speaker: H.E. Mrs. Isabel Cristina de Azevedo Heyvaert, Ambassador of Brazil to Ethiopia

53. After giving a brief overview of the history of gold mining in Brazil in the pre-colonial and colonial eras, Ambassador Heyvaert emphasized the importance of South-South Cooperation between Brazil and Africa, in terms of sharing experiences and best practices, technical cooperation and the building of knowledge with regards to the management of mineral resources for development. She stressed that this should be done at the level of both government and mining

companies. She welcomed the adoption of the AMV and indicated the interest of her Government in supporting the initiative.

Speaker: Mr. Herve Guilcher, Environmental Programmes Director, HP and World Resource Forum

54. Mr. Guilcher reported that Hewlett-Packard (HP) had created an e-alliance with Dell, Nokia and Phillips for e-waste. He recalled that the previous day's side-event discussed opportunities of traditional and urban mining (including mining of "e-waste"). He noted that the discussions highlighted how e-waste could create opportunities for self-sustained business models while protecting health and the environment and also providing jobs. He argued that this was an excellent opportunity for cross-fertilization between traditional and urban mining.

55. He reported that most of the policies of traditional mining were quite old, and did not incorporate social and environmental components. He contended that important lessons could be learned from urban mining that could inform traditional mining policies. He pointed out that a major challenge was how to derive solutions for e-waste in Africa. He also reported that the e-alliance had worked closely with Nigeria and Kenya at industry and policy level to try to find solutions that worked. He argued that from this experience, recommendations should be built around policy, standards and infrastructure.

56. He further pointed out that stakeholder engagement was absolutely necessary for policy discourse because government and industry could not do it alone. Academia, NGOs and informal miners were critical in this process. He argued that it was important to have proper standards to be able to cater for traditional mining in the peculiar African context to enable a level playing field. Regarding infrastructure, he urged governments to ensure this level playing field so that the private sector could come in and provide adequate investments. Finally, he argued that there was the need to decouple investment from environmental declaration for future sustainable mining that was inclusive and afforded opportunities to all.

Speaker: Mr. Yao Graham, Executive Director, Third World Network Africa

57. Mr. Graham noted that while the AMV posed a paradigm shift from dependence on natural resources towards better management in the use of resources across the continent, it was still not widely known and not adequately appreciated by African citizens. He argued that the success of the AMV required long-term institutional development and it was therefore urgent that African governments, international organizations (such as the AfDB, AUC and ECA), the private sector and civil society worked together to implement it. This, he contended, should provide a political will for the AMV and bring legitimacy to it. Furthermore, he argued that as African governments were too often not effectively implementing mining decisions made, it was important for African institutions to ensure policy coherence towards implementing the AMV. In that sense, Mr. Graham identified the collective challenge going out from this Forum, to be how to implement the Action Plan of the AMV.

58. He noted that while a number of foreign countries had supported the AMV, there were uncertainties surrounding the interaction between the AMV and several trade agreements. He pondered, for example, how the Economic Partnership Agreements (EPAs) or the Free Trade Agreements (FTAs), such as the planned Continental Free Trade Area (CFTA), affected the policy space of African countries in implementing the African mining vision.

Speaker: Raphael Kaplinski, Professor of International Development, The Open University

59. Prof. Kaplisky made a presentation on “Making the Most of Commodities”, highlighting the linkages of mineral resources and their contribution to economic development. He highlighted research work done by African Scholars in nine countries on various issues such as mining services, oil services, copper and infrastructure. He noted that the research work concluded that natural resources were not necessarily a curse but that there was a surprising degree of linkages among them, including value addition.

60. He concluded his presentation by suggesting some key factors which needed to be considered in order to accelerate the effective extraction and management of mineral resources in Africa. These included: (a) African governments needed to develop right policies which reinforced each other; (b) commitments to implement the adopted policies in natural resources; (c) local content must be incorporated in the formulation of natural resources policies; (d) equal standards in developing natural resources policies, which in most cases came in at a later stage; (e) need to have skilled personnel and a national system of innovation in the development of natural resources strategies and policies; (f) ownership of natural resources strategies by all parties (government, private sector, and mining companies); and (g) development of infrastructure networks among African countries to accelerate the movement of natural resources for example, gas pipelines.

General discussions

61. The discussions noted that CSR had a wider applicability scope in the context of mining and should be considered for the benefit of the host communities. Contract negotiations for mining licences should incorporate community development components. The AMV put Africa in a position to take ownership and its implementation plan had nine clusters which needed institutions, data and human resources. It was therefore important for African countries to align their policies towards this AMV. Sound policies needed to be formulated to assist in the negotiation of the AMV with emphasis on environmental issues and working conditions of people. The Forum noted that while the AMV agenda on non-renewable resources could be used for the social development and industrialization of Africa, there was a need to work closely with Africa’s developmental partners in the implementation of the vision.

62. The discussions underscored the importance of not under-estimating the governance dimension as a key element in ensuring the success of the AMV. Negotiations on natural resources contracts needed to involve all stakeholders such as Government officials, private sector and mining companies, with balanced expertise in all fields (equal playing field during the negotiations). It was agreed that there was a need to develop appropriate tools to better capture the rent from natural resources and that financial governance of the sector must be based on best practices (for example: Angola had been able to eliminate its debt using revenue generated from mining activities). Social governance as well as the need to give priority to local communities for employment in mining sectors was also underscored as being key to the success of AMV. The discussions underscored the need to consider copper mining issues as well as recognize that Africa would generate more e-waste than Europe in the coming years. The Forum agreed that APRM should play a critical role in the implementation of the AMV through its self-monitoring mechanisms in all member States.

Conclusions and recommendations

- Policy on its own cannot solve the problems arising in the mining sector. Member States should include all the stakeholders (including the informal market), establish standards tailor-made for Africa and invest in infrastructure to facilitate development opportunities.
- Member States, the AUC, AfDB, ECA and the private sector should join forces to build a broad stakeholder base into which to root the AMV and its successful implementation.
- The EITI is an important mechanism for transparency, but needs to foster more dialogue between the different stakeholders. Instead of punishing the errant country, it should support the country to improve the mining sector. The EITI should create a space for all relevant communities in Africa to feed into the process, especially given that the sector is prone to elite capture for revenue collection.
- Expediting economic integration is key in Africa. Member States should create regional value chains to put Africa in a better position to negotiate and achieve the expected gains including pan-African economic integration.
- There is a need for further natural resource information exchange among stakeholders in Africa.

Strategic issues (and potential responses)

- Africa needs to strategize on how to become more resilient against price volatility.
- To ensure benefits from mineral resources are shared with future generations, there is a need to study the viability of the endowment, determine the potential stream of earnings from their extraction and the savings required to invest in achieving intergenerational equity.
- Africa needs to enhance its links into the global mining sector by exporting more value-added products. This will require breaking away from enclaves which have typically isolated the continent's ability to enter into an equal partnership with global markets. However, sustainable mining which links Africa through value chains of production to global markets needs to be supported by sound infrastructure, world-class standards and backed by good policies. Policy coherence and institutional cohesiveness between the mineral and industrial and trade complexes are fundamental in pursuing resource-based industrialisation and diversification.
- There is a need to go beyond the traditional confines of the relationship between the mining countries and Multinational Enterprises (MNEs), as well as the producer-consumer relation. South-South cooperation could limit the adverse impact in the international market.
- Member States should consider integrating urban mining (e-waste recycling) as a key part of mining (pushing for a draft declaration on e-waste) by, for example, supporting investments in e-waste recycling. Member States should consider how to decouple economic growth from environmental degradation and promote material stewardship.

IV. Plenary session 3: Roundtable on Governing the Risks and Opportunities of Large-scale Land Investments for Africa's Development

Moderator: President Festus Mogae, Chairman of CODA, former President of Botswana:

Speakers:

1. H.E. Mr. Robert Bwinga Wila, Minister of Lands, Republic of Congo
2. Dr. Daniel Kwasi Berkoh, Paramount Chief of Agona, Ashanti Region, National House of Chiefs, Ghana
3. Prof. Peter Olufemi Adeniyi, Chairperson of the Presidential Technical Committee on Land Reform
4. Dr. Madiodo Niasse, Director of International Land Coalition (ILC)
5. Mr. André Laperriere, Deputy CEO of the Global Environment Facility (GEF)
6. Mr. Tegegnetworku Gettu, Director UNDP Regional Bureau for Africa

Summary of issues

63. Issues arising from the Large Scale Land Based Investments (LSLBIs) discussions included: (a) dispossession and eroding land rights of local communities, including women and children; (b) lack of data on the amount and location of available land and the rights, claims and interests on the land; (c) threats to national food security; (d) policy bias against smallholders with regard to access to land, water and other agricultural inputs compared to large scale investors; (e) climate change concerns and adverse impact on the environment, genetic resources, and biodiversity; (f) inappropriate land and investment policies, and legal frameworks; and (g) inadequate knowledge, human and institutional capacity.

Main points of presentations and discussions including Chair's summary

64. Although Africa had about 60 per cent of the available arable land in the world, there was great diversity in its availability amongst member countries. Through appropriate LSBIs, Africa could benefit from its vast endowment of natural resources by attracting technology and improving rural infrastructure, irrigation and access to markets, especially by targeting smallholder farmers.

65. In order to take advantage of their land resources for economic growth and improved livelihoods, African countries needed to generate relevant data on land resources, rights and use and make it available to all stakeholders for utilization in development planning.

66. The presentations provided examples on land policy and administrative reforms from Democratic Republic of Congo (DRC), Ghana and Nigeria. Key opportunities, risks, challenges, expectations and outcomes related to LSLBI in Africa were noted. Examples of opportunities included increased productivity as well as agriculture and rural transformation which in turn included industrialization, increased employment, improved food security, tax revenues, and an improved business environment.

67. Several risks and challenges in undertaking such ventures were outlined. These included: (i) land tenure insecurity and poor land governance; (ii) inadequate cadastral infrastructure; (iii) increase in unskilled employment; (iv) political instability and armed conflicts; (v) weak political will; (vi) manpower challenges; (vii) poor infrastructure base; (viii) safety and security issues; (ix)

poor advocacy and sensitization; (x) corruption and lack of transparency; and (xi) inadequate and unreliable environmental and social impact assessments. The presentations also noted that land was a finite resource and the future needs of Africa's growing populations needed to be considered in the context of LSLBI.

68. Innovative, inclusive and transparent models were needed if LSLBIs were to contribute to food security. Such models also needed to respect the rights of local communities especially in customary systems. Environmental sustainability was also an important aspect to be integrated in contractual arrangements for innovative LSLBI models. An example was provided by Tetepa Ltd from Tanzania where an innovative partnership out-growers' scheme was benefiting the private sector and smallholder farmers. Sustainable LSLBI models needed to be supported and accompanied by effective democratic institutions, in particular transparent land administration systems and well-functioning land markets.

69. With the adoption of the Nairobi Action Plan on LSLBIs which called for assessment of LSLBIs in Africa, principles and enhanced capacities and tracking of land deals, African countries had made a commitment to address issues related to LSLBIs.

Important points of agreements and disagreements

70. Discussions and debates surrounding LSLBIs were usually not based on facts and were emotive. There were many areas of disagreement, beginning with whether there was land available for LSLBIs in Africa. Other arguments surrounded the appropriateness of LSLBIs as a model for agricultural transformation compared to smallholder systems.

71. There was general agreement that recognizing and securing land tenure rights of local communities would reduce their vulnerability in the face of LSLBIs. Other advantages included improved land-use planning, delivery of social services and amenities and effective monitoring of environmental conditions.

72. While the need for data, evidence, principles and other tools was well accepted, there was no consensus as to whether they should precede LSLBIs negotiation.

Conclusions and recommendations

73. Responsive governance of LSLBIs is paramount for win-win outcomes that ensure social cohesion, food security, economic growth and environmental stewardship. This calls for land deals that engender principles of transparency, participation and consultation.

74. Improved governance of LSLBIs demands effective partnerships among African Governments, local communities, private investors, development partners on equal footing for effective management of risks and opportunities associated with LSLBIs.

75. The Framework and Guidelines on Land Policy in Africa was underscored as a useful tool to inform land policy reforms and the governance of LSLBIs. In this regard, there was an urgent need to sensitize African countries and develop their capacities for its application.

76. Land policies need to be formulated and implemented in the context of the overall development agenda.

77. The LPI needs to be strengthened and transformed into an appropriate mechanism to facilitate the implementation of the Nairobi Action Plan and related instruments to improve the governance of LSLBIs.

78. There is a need to identify strategic issues (and potential responses) that have to be addressed by policymakers at the national, subregional and regional levels (identify projects for implementation at country level and partnerships including role of partners).

79. In order to effectively address the challenges and risks associated with LSLBIs as well as ensure fair and just management of accruable benefits, certain steps would need to be taken by policymakers such as:

- (a) strengthening institutional, legal and regulatory frameworks for land governance and tenure security;
- (b) enhancing data collection, research and analysis to guide decisions surrounding LSLBIs;
- (c) drawing lessons from promising practices and developing innovative LSLBI models that benefit smallholder producers.

V. Plenary session 4: Roundtable on Harnessing Fishery Resources: Swimming the Tide for Africa's Development

Chairperson: H.E. Mr. Henri Djombo, Minister of Forest Economics and Sustainable Development, Republic of Congo

Presenters: 1. Mr. Rashid Sumaila, UBC-Fisheries
2. Mr. Mohammed Sisay

Panellists: 1. Ms. Ana Erastus, representing H.E Bernard Esau, Minister of Fishery and Marine Resources, Namibia
2. Mr. Jean Bakole, Regional Director, UNIDO
3. Mr. Mika Odido, Technical Secretary, UNESCO
4. Mr. Gunnar Stolvik, Head, IUU-Fishing, Norway

Summary of the issues

80. The overall objective of the Roundtable was to raise awareness and cultivate deeper understanding of how fisheries and aquaculture resources could be better developed and utilized to foster economic growth, poverty reduction and the overall improvement of the living standards of African people.

81. The Roundtable discussed issues relating to fisheries (both marine and inland) and aquaculture, which were important natural resources with great potential to contribute to sustainable development in Africa. Participants emphasized the fact that Africa's fisheries and aquaculture endowments were renewable natural capital, which offered the continent an indefinite opportunity to continue to reap benefits from these resources over time. Africa's fisheries and aquaculture were therefore potentially more valuable than their counterparts such as oil, gas, diamond and gold, which were more appreciated, but non-renewable resources. The key issue posed by the meeting was, therefore how to ensure that these resources were used in a sustainable manner while respecting and conserving the ecosystems and enhancing their contribution to the development of the continent.

82. Participants recognized the fact that The Forum was an important opportunity to address issues relating to the abundant fishery resources that the continent had and how to adopt appropriate frameworks and strategies to better integrate fisheries management into national resource management programmes, strategies and policies.

83. The meeting further indicated that capture fisheries production had been relatively stable in the first decade of the current millennium worldwide, including Africa – about 13 per cent of the world's total. Aquaculture accounted for 46 per cent of total food supply in fish, representing a continuing increase since the mid-2000s. Despite these remarkable achievements, Africa was yet to tap the full potential of its huge endowment in these resources, leaving significant potential to enhance development through effective and sustainable resource management.

Main points of the presentations

84. The two presenters and the four panellists discussed the following key issues:

- Overview of fisheries and aquaculture activities and their importance to Africa's development, including key challenges facing African countries on the issues of governing and harnessing these resources.
- Impact of the ecosystem on the health of marine resources, with a particular focus on the vulnerability of coastal areas to severe maritime hazards.
- Challenges of collecting, disseminating and utilizing oceanographic data, stressing in particular the lack of capacity on the part of many African countries to either collect or make use of available data on their ocean resources.
- Issues of technical cooperation to improve the development and utilization of fishery and aquaculture resources in Africa.
- Issues of ratification, implementation and domestication of major subregional, regional and international decisions and guidelines relating to the management and exploitation of fishery and aquaculture resources.
- Mandate of relevant regional and international organizations (AU, FAO, UNIDO, UNESCO, UNODC, INTERPOL) on fishery and aquaculture issues, including the coordination of global ocean observatory systems.

Important points of agreements/disagreements

85. Fishery and aquaculture were key resources for sustainable development in Africa through the creation of employment, generation of income and export earnings. The sector also played an important role in food security for the continent.

86. The status of the fishery sector in Africa was characterised by weak governance and poor management. The overall activity in the sector was also characterized by small and fragmented producers who were excluded from the world trade negotiations and arrangements.

87. The lack of appropriate infrastructure, small markets and low capacity were the main structural constraints facing the fishery sector preventing it from enhancing productivity.

88. The status of the ecosystem had a serious impact on the health of marine resources, and the coastal areas were particularly vulnerable to severe maritime hazards.

89. African countries faced serious challenges regarding the collection, dissemination and utilisation of oceanographic data. Unlike many countries in Africa, Mauritius had a reliable database at its Indian Ocean and Tuna Commission (IOTC) on fish, particularly for tuna and fish similar to tuna for Eastern African Countries. In this respect, the importance of cooperation between African states and IOC-UNESCO in the area of ocean data collection and use was stressed. This includes the support of UNESCO through training and experience sharing on oceanography, including data collection and use. Piracy was identified as a very serious challenge to ocean resources management.

Conclusions and recommendations

90. Africa is yet to tap the full potential of its huge endowment in fishery and aquaculture resources. This leaves significant potential for enhancement of development through effective and sustainable resource management.

91. There is a need to promote regional cooperation for improved governance of fishery and aquaculture resources and maritime areas. This could be done by enhancing and strengthening the RECs and RFBs to serve as a basis for ensuring, effective and improved governance of the fisheries and aquaculture resources of the continent through regional cooperation.

92. African countries need to improve the processing of fishery resources to add more value to them by enhancing efficient management of resources.

93. There is a need for greater collaboration between African governments and IOC-UNESCO on various issues of oceanography, including data collection and use. In this respect, IOC-UNESCO needs to devise strategies to better sensitise African countries on the availability of ocean resources data collated by IOC, as well as develop better means of sharing available knowledge and ideas with a view to improving fisheries development activities on the continent.

94. UNIDO is playing an important role in providing technical programmes for sustainable fishery development, clean water and appropriate hygiene. Work is undertaken in collaboration with government and the private sector, which includes new fishing technology and establishing cooperation on net-based facilities to attract investment in a number of countries. However, these facilities are not properly used by member States, due to lack of relevant information. In this respect, UNIDO should be more proactive in popularizing its programmes, particularly in the areas of fishery and marine resources development.

95. There is a critical need to enhance a green industry policy to ensure high productivity and promote socio-economic development in the areas of fishery and aquaculture. This will require member States to adopt appropriate measures to attract investment into the fishery and aquaculture sectors.

96. Research and innovation are critically needed to preserve the resources. Appropriate education and vocational training are critical elements required to enhance industrial capabilities in the sector.

97. There is a need to link fisheries laws to mainstream law enforcement and criminal justice processes as well as build linkages between and among various ministries to control illegal fishing. This should involve coast guards, directorates of fisheries, taxation, labour inspectors, police, customs and coastal administration.

98. Countries need to collaborate with the Fisheries Crime working group of INTERPOL, by establishing liaison offices in their respective countries.

Strategic issues for policymakers

99. Technical and political issues for development are closely interlinked. Consequently, there is a need for African countries to create a “Forum on Science and Governance” to debate and address the interrelation between the sciences and governance issues in Africa.

100. Several fisheries-specific instruments have been developed to promote governance in the sector. These include: the FAO Code of Conduct for Responsible Fisheries, the FAO-AU Plan of Action on Illegal, Unreported and Unregulated (IUU) fishing, the Marine Stewardship Council and Seafood Choices Certification Programmes. Several studies have shown that in many countries, these instruments are not yet sufficiently integrated into national policy and decision-making processes. It is therefore important for Africa to develop, adapt and apply these instruments into national processes so as to be able to advance in this area.

101. Exploitation of fisheries and aquaculture resources adversely impact the environment, damaging fish stocks, land and water, and reducing the capacity of fish stock to produce to the maximum, thereby undermining local livelihoods. Companies that want to participate in the sector should undertake to adhere to social and environmental stewardship by following environmental and social norms.

VI. Plenary session 5: Roundtable on Seizing Green Growth Opportunities in the Forest Sector for Africa’s Sustainable Development

Chairperson: H.E. Mr. Wu, United Nations Under-Secretary-General, Economic and Social Affairs

Presenters: 1. Mr. Frank Rutabingwa, Regional Advisor for Forest Resources, UNECA

Panellists: 1. H.E. Mr. Henri Djombo, Minister of Forest Economics and Sustainable Development, Republic of Congo
2. Ms. Jan McAlpine, Director, United Nations Forum on Forests
3. Ms. Celestin Ntsame-Okwo, Regional Representative, Africa and Timber Trade Organization
4. Mr. Pierre Nguinda, Forest and Climate Expert, Congo Basin Forest Fund
5. Ms. Alexandra Trzeciak-Duval, Head, Policy Division, OECD

Summary of issues

102. Most African countries have been basing their development policies on renewable energy but in an unsustainable manner. Africa’s green growth should be linked to forest development.

Main points of presentation including Chair summary

103. Prior to introducing the panellists, Mr. Wu pointed out the concern of the United Nations Department for Social Affairs (UN-DESA) in the forest sector by highlighting the role of forest resources in sustainable development and poverty reduction, and also identified some of the challenges to their sustainable management. With respect to Africa, he underscored that the region lost 3.4 million hectares of forest cover between 2000 and 2010, and called for a reversal of this trend. He also acknowledged that the concept note and specific issue paper prepared by ECA fully captured the aspects to be considered in the discussion. He then invited the ECA Secretariat to set the tone for the discussion by highlighting the key aspects of the issue paper.

104. Mr. Frank Rutabingwa made a presentation on the status of forest resources in Africa. He reported that forests contributed 6 per cent to the GDP of the continent and provided livelihoods for about 60 million people. At the same time, wood fuel accounted for 90 per cent of energy needs. He continued by highlighting the key challenges facing the sector, such as: (a) competition for land from agriculture, urban development, and infrastructure; (b) poor governance and limited institutional capacity; (c) limited integration of forest considerations into other sectoral policies, strategies and legislation; (d) equitable sharing of forest benefits; (e) lack of backward and forward linkages with the rest of the economy; (f) low investment levels; and, (g) inadequate data. He also pointed out the importance of women in forest management. He further highlighted that there was a significant amount of opportunities to better harness the potential of forest resources, such as those offered by carbon markets. He concluded by calling on the plenary to recommend actionable proposals to tackle the challenges listed.

Speaker: H.E. Mr. Henri Djombo, Minister of Forest Economics and Sustainable Development, Republic of Congo

105. Mr. Djombo recalled that the green economy was an important theme discussed at Rio +20 where the international community agreed that the green economy could be an important tool for achieving sustainable development. He also acknowledged that each country had to define its own priorities and policies taking into account the national and local context. This was in line with Africa's views as contained in the Africa common position to Rio+20.

106. He highlighted the wide range of benefits offered by green growth, including: reduction of carbon emission; increasing carbon stocks; reduction of pollution and biodiversity degradation, and improving efficiency in the use of natural resources. He noted that the use of clean technologies increased industrial productivity while limiting energy consumption and waste production.

107. He further noted that Green economic opportunities existed in all sectors. In the field of forestry, green growth could be promoted in several ways, contributing to sustainable revenues and decent jobs.

108. In Africa, many important initiatives had been implemented and had largely contributed to increasing carbon sequestration capacity and to limiting forest degradation. Examples given included:

- Sustainable management of forestry concession and certification
- Restoration of degraded forest and reforestation
- Eco building using local materials
- Ecotourism
- Biodiversity conservation

- Value addition to non-timber forest chains and products that generate important trade activities.

109. He reported that the Republic of Congo was planning to manage and certify all existing forestry concessions by 2015. This would involve an area of 13 millions ha. The country also participated in the continental green wall initiative.

110. He also said that REDD+ financial mechanism was at a pilot stage in most African countries. It was important for this process to take into account existing African forestry best practices and promote an inclusive dialogue between stakeholders to ensure that other stakeholders besides financial actors were involved.

111. Finally, he indicated that implementing green growth required enabling conditions such as: adequate policies and legislative measures, financing mechanisms, incentive measures, trade and infrastructure capacities, training, capacity-building and awareness.

Speaker: Ms. Jan McAlpine, Director, United Nations Forum on Forest, UN Department of Economic and Social Affairs

112. Ms. McAlpine stressed the importance of forest resources for sustainable livelihood and underscored the fact that forest management should be a concern for all and needed a holistic approach with all sectors involved. She then invited the audience to watch a short film entitled Finding Balances: Our Future, Our Forests. The documentary highlighted the significant contribution of forest resources in keeping the planet alive and the challenges posed by their management in the light of human activities.

113. It was suggested that, if forests were to disappear from the earth's surface, carbon emissions would double, accelerating climate change and contributing to a depleted global ecosystem. Many species would disappear and the consequences would be disastrous for all forms of life. There was therefore a need to change the way forests were perceived as purveyors of indefinite resources and address their management in a more sustainable manner.

114. In summing up, she observed that to feed the current 7 billion people and 9 billion in 2050, sustainable forest management was key to providing sustainable solutions. Governments, the private sector, civil society, local communities, women and the youth, were all critical in formulating and implementing comprehensive measures to save forest resources from depletion.

Speaker: Ms. Celestine Ntsame-Okwo, Regional Representative Africa and Timber and Trade Organization

115. Ms. Ntsame-Okwo gave a regional perspective of the potential contribution of wood-based resources to the development of the forestry sector and intra-African trade. This was important as Africa globally possessed 600 million hectares of forest areas and one third of tropical forests. Yet, the continent still imports wood products and was absent in the global processed wood market. She added that the challenges currently faced by the continent in developing the sector included: (a) lack of knowledge; (b) inadequate infrastructure which contributed to higher costs; (c) high transaction costs caused by complex bureaucracies; (d) limited access to finance; (e) competition from the illegal sector; (f) limited capacity in the processing of wood; (g) high tariffs, inadequate harmonization of regulatory frameworks; and (h) low productivity in the forestry sector.

116. She further added that notwithstanding the challenges, the sector offered opportunities for sustainable development. The key actors in this regard were regional and subregional organizations and international organizations, complemented by governments and the private sector. She observed that intra-African trade in wood was essential for the sustainable development of the forestry sector. The areas of intervention were the elimination of cross-border tariffs and the harmonization of national regulatory frameworks. This had to be underpinned by enhancing statistical capacity to improve customs procedures, income tax and the control of illegal trade. In addition, branding African wood products underscored by detailed studies on commercial opportunities was vital. Finally, she added that the political will to acknowledge the potential of sustainable development through intra-African trade in wood was crucial.

117. She concluded that intra-African trade should be expanded and in this regard the role of regional and subregional financial institutions and Information and Communication Technologies were imperative. This should be supported by a regional and subregional network of professionals for the exchange of pertinent information. Investment in innovative technologies and technology transfer were important areas to be considered. Furthermore, she noted that these recommendations and those which emerged from the international conference on intra-African trade, held in Accra in October 2010, should be aligned.

Speaker: Mr. Pierre Nguida, Forest and Climate Expert, Congo Basin Forest Fund

118. Mr. Nguida highlighted that Africa had important renewable resources, in particular water and forests. At the continental level, he identified three priorities on forest and green growth: Lake Chad Basin rehabilitation; the sustainable management of the Congo Basin, and the Green Belt project. He however noted that implementation had been very weak. With regards to Lake Chad, its rehabilitation plan had been ready for decades but because of lack of financial support, it had never been implemented. The same went for the Congo Basin, where with a capacity of 45,000 cubic metres per second, the energy potential of its water resources had not been fully exploited to the benefit of the population.

Ms. Alexandra Trzeciak-Duval, Head, Policy Division, Organisation for Economic Cooperation and Development (OECD)

119. Ms. Trzeciak-Duval complemented interventions by previous panellists by focusing on the role of the international community in promoting the sustainable development of the forestry sector. She highlighted how the largest part of Official Development Assistance (ODA) to the forestry sector by members of the Development Assistance Committee (DAC) was directed to forestry policy and administration management, thus contributing to improving forest governance. She noted that while bilateral donor assistance to the sector had been increasing in the last three years, the overall level remained low – less than \$1 billion of the overall \$120 billion tracked by the OECD.

120. She concluded her intervention by highlighting four areas that she deemed critical in harnessing the potential of forest resources for development, but which had not been fully captured in previous interventions:

- (a) Elite capture: forest resources were often captured by political elites, who often also benefited from subsidies. This prevented forest resources from contributing to broad-based, inclusive and sustainable growth that benefited the poor.
- (b) Urgency: Africa was the only region, apart from South America, where forest cover continued to decline at an alarming rate.

- (c) Global public good: forests provided global benefits that were yet to be fully valued. Accounting for and evaluating natural resources were thus critical.
- (d) Policy coherence for development: there was a need for policy coherence for development at global and national levels, in particular to combat trade in illegal forest products.

121. Mr. Wu concluded the session by highlighting how all the interventions of the panellists pointed to the urgent need for renewing and stepping up efforts to achieve the four global goals on forest resources, reaffirmed at the United Nations Conference on Sustainable Development Rio+20:

- (a) Reverse the loss of forest resources;
- (b) Enhance forest-based economic, social and environmental benefits;
- (c) Increase the areas of forests under sustainable forest management; and
- (d) Reverse the declining trend in ODA to the forest sector.

Conclusions and recommendations

122. Forests are renewable resources and present opportunities in achieving poverty reduction at continental level. To harness this potential, Africa needs to invest more in these resources, and to strengthen planning capacities.

123. Overall action is needed to protect forests and use them in a sustainable manner. The sustainable use of Africa's natural resources is an objective that is within our reach.

124. At the national level, there must be policies and regulatory frameworks to support greening the economies and developing forest resources in a sustainable manner. In this regard, African countries should review their forest management policies to reflect sustainability principles and build synergies across all sectors.

125. Promoting intra-Africa trade in wood products can significantly contribute to sustainable development. In this regard, Africa needs to strengthen its ability to certify and validate the compliance of wood products to legal as well as environmental and social sustainability standards.

126. It is the responsibility of African governments to enhance the role of RECs in promoting the sustainable management of the forest sector.

127. There are several good practices in promoting green growth in the forest sector in Africa. However, there is a need for mechanisms to share lessons learnt and promote their scaling up and scaling out.

128. There is a need to reallocate funds, including funds from regional and subregional financial institutions, towards the sustainable management of forest resources in the region.

Parallel thematic breakout session on minerals for development: Issues, challenges and opportunities

Chairperson: H.E. Dr. Abdul Razak, Deputy Minister of Mineral Resources, Republic of Mozambique

Panellists: 1. Mr. Fui Tsikata, Natural Resources Lawyer, Reinford Chambers
2. Mr. Hussein Hassan Hussein, Head of Industry, AUC

3. Dr. Brigitte Boccoum, Senior Programme Manager, Sustainable Energy, Oil, Gas and Mining, World Bank
4. Prof. Saleem Ali, Director, Center for Social Responsibility in Mining, University of Queensland
5. Ms. Kathleen McPhail, Director Resource Endowment, ICMM;
6. Mr. David Noko, Executive Vice President, Sustainability, AngloGold Ashanti
7. Dr Rockfeler Herise, Senior Alliance Advisor, USAID

Summary of Presentations

129. Dr. Razak outlined the key issues in the sector as: (a) state and local participation in mining (ownership of minerals and mining entities); (b) linking mining to other sectors of the economy; (c) improving the collection and management of mining revenues; (d) building the capacity of all stakeholders in the sector; (e) respect and adherence to health, safety and environmental standards; (f) strengthening policy, legal and regulatory frameworks; (g) strengthening local content and local development issues; and (h) operationalization of the AMDC. He mentioned that the AMDC would play a critical role in the implementation of the AMV.

Speaker: Mr. Fui Tsikata, Natural Resources Lawyer; Reindorf Chambers

130. Mr. Tsikata's intervention focused on legal aspects in the implementation of the AMV. He pointed out that more often than not within the framework of commercial transactions for minerals, legal aspects were not factored beforehand, and that when lawyers were ultimately called upon to draft contracts they found themselves raising issues perceived as momentum breakers. He mentioned that the issues usually raised by lawyers involved policy choices, and encouraged governments to critically look at the said issues, way before finalizing commercial transactions. He then listed current issues to be looked into in the context of mineral agreements which non-lawyers and policymakers should take interest in, notably stabilization clauses and international arbitration. He then encouraged governments to take interest in matters relating to promises made by sponsors of projects and in their legal implications or lack thereof. He also pointed out that before entering into mineral development agreements, basic questions which were not necessarily legal ones such as to whom, when, and how the contracts should be awarded ought to be asked. He ended his intervention by suggesting that ECA, AUC, AfDB and other development partners should play a leadership role in pooling and sharing ideas on best-practices in mineral development agreements, which should be embedded in the implementation plan for the AMV.

Speaker: Dr. Brigitte Boccoum, Senior Mining Specialist; World Bank

131. Dr. Boccoum's intervention focused on the World Bank's support to African countries in the minerals sector. She informed the Forum that the World Bank had fully endorsed the AMV, and was ready to contribute, along with other development partners, to the implementation of the AMV action plan. She stated that Africa was heavily dependent on commodities for its growth and that this state of affairs would not change in the near future. She stressed, nonetheless, that the time had come to get the mineral sector to play a catalytic role in Africa's transformation. She pointed out that Africa remained one of the two regions not well explored in the world. In this regard, she mentioned that one of the objectives of the World Bank was to improve geo-scientific data on Africa and that concrete steps were already being taken in that direction. She further mentioned that the World Bank would continue to play a key role in mobilizing resources to achieve the above-mentioned objective, in the context of the AMV.

Speaker: Mr Hussein Hassan Hussein, Head of Industry in AUC

132. Mr. Hussein underscored the point that although Africa was very rich in minerals, it had drawn little benefits from its mineral resources. He reported that in February 2009, the AU Heads of State and Government adopted the AMV and requested the Ministers of Mineral Resources Development to draw up an action plan for the AMV whose goal was to create a transparent, equitable, optimal exploitation of minerals resources to contribute towards socio-economic development. The 2nd ministerial meeting of December 2011 which included experts in mining, NGOs and United Nations agencies, adopted the Action Plan of the AMV which was also endorsed by Heads of State and Government at their July 2012 Summit. The Summit also adopted the recommendation to create an AMDC. The AUC fast tracked the AMDC, and discussed during 8-9 October 2012 the business plan and modalities for interaction and implementation of the action plan. Mr. Hussein recommended that there was a need to proceed with capacity-building of partners, for member States to establish the AMDC by 2013 and also for a mechanism to allow interaction between members States and the AMDC. He revealed that the AUC, ECA and partners wanted to fast track AMDC to serve the mining sector in areas such as policies, capacity-building, geology, mineral information systems, governance, small-scale artisanal issues and research. He left the session with a point to ponder over - the 2050 ASEAN strategy was looking to Africa to supply them with raw materials for the implementation of their development strategy.

Speaker: Professor Saleem Ali, Director of Center for Social responsibility in Mining

133. Prof. Ali made a presentation on the role of science and time in mining. He said that the development of the mining sector of Africa should be carefully considered, since extraction presented constraints and opportunities to mineral development. He said that while minerals could be considered geologically as non-renewable, from a scientific perspective they were chemically renewable in different forms. Development strategies recognizing this, could therefore exploit the opportunities the other forms presented. Different minerals required different approaches and the role of energy and water, which had not featured in the discussions so far, needed to be examined. On the role of time, he pointed out the difference between fisheries and forests and highlighted the need to dedicate an appropriate amount of time to develop governance mechanism for the mining sector. He pointed out the need to understand that minerals were assets, which if untouched, did not diminish with time, and could therefore wait for the time it would take to formulate appropriate legal and policy frameworks, price differentials notwithstanding. It was therefore, important to spend the time necessary in developing appropriate governance mechanisms, particularly to ensure wide-scale buy-in.

Speaker: Ms. Kathryn McPhail, Director, Resource Endowment, International Council on Metals and Minerals (ICMM)

134. Ms. McPhail talked about the International council on Metals and Minerals (ICMM), which was established 10 years ago as a coalition of 22 private companies including AngloGoldAshanti. She noted that ICMM strove to improve performance of mining towards sustainable development, led by CEOs. She highlighted that ICMM was articulated around a set of 10 standards: a multi-stakeholder process led by the International Institute for Environmental Development (IIED). She then shared insights on some of the work of the ICMM and about its standards, and mentioned its support to the EITI. She underscored that standards could not work alone but had to be backed by actions on the ground. She emphasized that ICMM was working with the Global Reporting Initiative (GRI) for indicators, backed by 3rd party insurance. She then shared perspectives on minerals for development. She underscored the importance of concentrating on three features: (i) effective macroeconomic management; (ii) an investment regime that provided stability for Foreign Direct Investment (FDI); and (iii) an improved quality of governance. She discussed the

opportunities and challenges including the need to move away from an enclave nature and rather link sectors as well as people to mining opportunities; and the importance of having a multi-stakeholder approach. She also stressed the fact that success depended on macroeconomic management, revenue management, public budget management and the need to include these in national development policies. To that effect, she emphasized that not only ministers of mines were concerned, but also all parts of governments and societies since they had roles and responsibilities. She also noted that mines could be transformational in a long-term perspective. She mentioned that buy-in from the government was key in addition to transparency, information sharing, support to strengthening the capacity of the public sector in which companies could play a role. Finally, she stressed that the benefits of mining should trickle down to host communities and not just at national level as they were the ones who faced disruptions including environment degradation and the loss of jobs once the mines were closed.

Speaker: David Noko, Executive Vice-President, Sustainability, AngloGold Ashanti

135. Mr. Noko observed the existence of some tension between mining companies on the one hand and governments, communities and CSOs on the other, the existence of colonial business practices in some operations and the general lack of good governance in the sector. He observed that a new way to define success in the sector was needed and this had to deal with: (a) ensuring safety and health for employees as well as mining communities, artisanal and small scale mining; (b) nature of mining codes; (c) skills shortages; (d) benefits inequity; and (e) lack of transparency in and lack of integration of the sector. He identified challenges often faced by the private sector to include: (i) rise in illegal activities; (ii) contracts that are perceived to favour mining companies; (iii) negative perceptions due to the failure of companies to contribute to development; and (iv) low infrastructure development, water and energy constraints. He noted that opportunities for the sector existed in Africa due to endowments and that responsible exploitation remained the key. He cited other opportunities to include: (a) people who could be trained through joint programmes; (b) partnerships with local private companies to develop resources; (c) research and development to launch new industries; (d) infrastructure linkages to promote trade; and (e) quantification of the economic endowments. He identified the critical success factors in the role of the minerals sector in development to be transparency and accountability and a strong governance framework. He underscored his company's support for the AMV and its commitment to the equitable sharing of benefits proceeding from the sector. In concluding, he alluded to the importance of continuous dialogue among all stakeholders in addressing the challenges in the sector.

Speaker: Dr. Rockefeller Herisse, United States Agency for International Development (USAID)

136. Dr. Herisse noted that there was a major shift in the profile of flow of US resources between 1960 and 2010, where at the end of the period resources were derived mainly from the private sector (86 per cent) as opposed to government dominance at the beginning of the period. He observed that in terms of FDI, private sector investment contributed directly to achieving development. He highlighted the fact that private sector investment had been key to accelerating and sustaining growth in infrastructure; helped create new jobs in Africa; developed chains of local providers; and created skills and technology transfer, all of which could catalyze economic diversification, growth, poverty reduction and improved governance. He noted the challenge of developing dialogue and solutions to address the increasingly motivated multinational and private investors to explore and exploit land and mineral resources. He stressed that it was demand driven since there was a lot of interest shown by a number of individuals who wanted to go into mining (ASM and others, multinationals, big corporations), and underscored that if that type of interest existed then there was a need to formulate a collaborative system to accommodate all.

137. He mentioned the lack of effective models and proven partnership frameworks for collaboration and broad-based development. He noted the surge in global food and energy prices that had led to increased demand for high-value and productive land and the weak policy environment that could create considerable investment risk. He then discussed the USAID initiated framework called the Global Development Alliance (GDA) which is a market-based approach to partnerships between the public and private sectors to address jointly defined business and development objectives. Alliances were co-designed, co-funded, and co-managed by partners so that the risks, responsibilities, and rewards of partnership were equally shared. He went on to describe the GDA principles, which jointly defined problems and solutions, risks and responsibilities and came up with a solution (the private sector could come to the public sector), which was a win-win relationship since partners needed to share risks, resources, responsibilities and results to maintain the partnership. He described the partnership value proposition, the alliances from 2001 to 2012, and various models for differentiating USAID public-private-partnerships (PPP) approaches. He cited the example of public-private alliance for responsible minerals trade in the great lakes region and in the Democratic Republic of Congo.

Main issues raised

African leadership and ownership

138. The importance of African leadership in programmes focused on the development of the continent was emphasized. Participants specifically noted this with respect to USAID programmes which they said had to be led by Africans in terms of focus.

Artisanal and small scale mining

139. The challenges faced by ASM were noted which included technology, finance and access to mineral deposits. The participants emphasized the important role of ASM in poverty alleviation and employment generation and thus emphasized the importance of supporting the sector. It was observed as the easiest route through which local people could participate in the sector as mine owners since the large investments required in medium to large scale mining were a deterrent. They also noted the challenges posed by illegal miners who often encroached on the properties owned by large operators. A framework for collaboration between large and small scale miners needed to be developed.

Community issues and Corporate Social Responsibility

140. Participants observed that in most cases communities were not adequately consulted as partners in developing programmes to address their challenges and these programmes often left out social issues and concentrated on economic ones. Communities needed to be differentiated in terms of their specific requirements in the design of CSR programmes. There was also a need for full consultation with communities in the design and implementation of CSR initiatives. For the consultation to be effective, the capacity of communities to engage in these processes needed to be strengthened.

Stabilization Clauses/Agreements

141. Participants noted the challenges posed by stabilization clauses, given the dynamic nature of the minerals markets and also highlighted the challenges associated with the renegotiation of contracts in the face of such clauses. They observed that countries often lost out where such clauses existed and there was an upturn in mineral prices. The need to share experiences on stabilization clauses was emphasized. The judicious use of stabilization clauses was thus called for.

Sharing experiences

142. The need for countries to share experiences in the sector in areas such as ASM, beneficiation, benefits sharing, community agreements and intergenerational equity issues was emphasized.

Africa Mining Vision, regional harmonization and monitoring and evaluation

143. The importance of the AMV as the blue print for minerals development on the continent was noted by participants. The need to ensure that regional policy harmonization initiatives were AMV compliant was emphasized. Participants also noted the need for a monitoring and evaluation framework for the implementation of the vision with mechanisms for reporting on progress.

Geological data collection

144. The availability of geological data was noted by participants to be important for investment decisions as well as contract negotiations. Participants agreed that existing institutions such as The Southern and Eastern African Mineral Centre (SEAMIC) should be strengthened in analytical work and data collection and processing to fulfil the goals of the AMV on the availability of data. They further emphasized that the generation of geo-data should be an integral part of ongoing efforts by African countries and existing successful projects such as the African-European Union Geo-resources Observation System (AEGEOS) should be continued as a key component of the spatial data infrastructure for geo-scientific information in Africa to support the AMV. Participants also highlighted the need to strengthen the Natural Resources Information Exchange (NRIE), which was an initiative that aimed at providing information on the mineral value chain that would be available to all stakeholders. The important role of the Geological Society of Africa in generating credible geological information was emphasized.

Benefits collection and sharing

145. The need for equity in benefits sharing was emphasized. Participants concurred on the need to design policy frameworks that enabled countries to collect optimal benefits from the sector and also ensured that the sharing of these benefits was equitable.

Value addition and mineral beneficiation and linkages

146. Participants lamented the enclave nature of mining on the continent and highlighted the need to facilitate developing linkages between minerals exploitation and the rest of the economy. They specifically identified value addition as an important strategy to enhance benefits from the sector. They however noted the need to undertake studies on the mineral value addition chain to identify the exact points of intervention so as to optimize the linkages.

Policy development

147. The need to develop coherent policies in the sector was emphasized including the policies on taxation, royalties and community development agreements. Participants underscored the need for a conducive environment for policy formulation.

Research and Development

148. The importance of research and development in the generation of linkages and new uses for mineral products was emphasized. The policy framework should provide for support for research and development.

Technology transfer

149. Large mining companies should facilitate the transfer of technology to the local industries as part of developing capacity.

Skills development and job creation

150. The lack of skills among stakeholders was identified as a major challenge in the minerals sector on the continent. Participants concurred that the lack of skills compromised the ability of government to deliver on its functions.

Strengthening the APRM

151. Participants welcomed the detailed questions on extractive industries in the country review questionnaire and they emphasized the need to include questions on how the revenue from natural resources would be utilized.

National and regional development planning

152. Participants highlighted the importance of issues relating to the minerals sector to be incorporated in national development plans. In addition, they noted that regional planning should also include mineral development issues such as infrastructure and water development.

Local content, partnerships and local business opportunities

153. The low level of linkages of the mining sector with the local economy could be addressed through the promotion of local content, partnerships and local business opportunities. A conducive policy framework was important to eventuate this and provide job opportunities for locals.

Science-based approach to minerals development

154. The importance of looking at the mining sector from a scientific rather than the conventional geological perspective should be considered as the latter, in considering the chemical properties of the minerals, provided further opportunities for increasing benefits from mining.

International market issues

155. Participants observed that investors benefitted more from international markets than the countries where the commodities were being extracted.

EITI and Extractive Industries Review

156. Participants observed that the focus of EITI only on revenue transparency was inadequate and ignored some other aspects, for example those identified in the Extractive Industries Review (EIR), which were important. Participants called for the review of the current scope of the EITI focus and approach in line with the orientation of the AMV.

Strengthened role of the State

157. Participants emphasized the role of a strong state in the management of the sector. They however observed challenges that emerged when the state entered into partnership with private entities engaged in activities that were not maximising benefits for the public. There was a need to avoid such potential conflict of interest in partnerships between the state and private companies in the sector.

Corporate Social Responsibility and State responsibilities

158. Participants observed that a clear distinction had to be made between the role of the state regarding its people and the role of the private sector as part of CSR. Governments should shoulder their responsibilities as much as possible rather than use CSR to off-load their responsibilities towards the electorate to mining companies. Such a situation eroded the social relationship between the government and its people. The local authority should be empowered to be able to discharge the role of the government role efficiently.

Recommendations

159. In the light of the above-mentioned major issues, the participants recommended:

- Stronger and continuous engagement of government, private sector and civil society in contracts, licensing, mineral development agreements, community development agreements and other issues;
- Development of new partnership models of social consciousness to ensure that mineral exploitation addressed developmental issues sustainably;
- Strengthening the APRM as the primary tool for monitoring governance in the natural resources sector;
- Development of a framework for collaboration between large and small-scale miners to create synergy and facilitate optimal exploitation of mineral resources and partnerships;
- Strengthened consultation between communities and mining companies in the development of corporate social responsibility programmes;
- Development of a monitoring and evaluation framework for the AMV with mechanisms for reporting progress for all stakeholders;
- Strengthening the capacity of national and subregional institutions to collect and process geological data to ensure that Africa optimized benefits from its geological resources;
- Formulation of policies that facilitate equity and transparency in the sharing of the benefits from mineral exploitation;
- Formulation of policies that encouraged further processing of minerals before exports and strengthening linkages between mining and the rest of the economy;
- Formulation of coherent policies on taxation, royalties and the crafting of community development agreements;
- Embedding the human rights obligations of mining companies in mining contracts;
- Embedding programmes for the development of the minerals sector into national and regional development plans to strengthen the developmental role of the sector and also promoting integrated planning to avoid conflict between mining and other natural resources activities such as agriculture and forestry;
- Development of human skills for the mineral sectors for all stakeholders and utilization of the Earth Science Education Initiative in Africa of UNESCO to

strengthen Earth Sciences Education in Africa, and the UNEP mining handbook and training materials that could be used by African countries to promote awareness and preparedness on emergencies at local level (APEL);

- Formulation of policies that promote local content and local business opportunities along the mineral value chain;
- Reviewing of EITI, paying particular attention to issues of transparency along the mineral value chain including negotiation of contracts, issue of licences and presentation of information on payments in a disaggregated manner;
- Including indigenous people and other vulnerable communities in negotiations of mining contracts and building their capacity to negotiate contracts;
- Urging ECA and AUC to organize sensitization and dissemination of the AMV in member States and other forums;
- Strengthening the involvement of women in activities and processes throughout the mineral value chain since the sector has historically been male dominated;
- Introducing a hybrid and optimal policy strategy which combined tax and value addition options to maximize benefits from mineral resources exploitation. This is because since tax policy is an instrument of domestic economic development, fiscal stabilization clauses of mineral contracts should not usurp domestic policy space;
- African countries should invest in local downstream processing of minerals based on country or regional comparative advantages;
- Mapping opportunities for benefits maximization which are country and context specific and establishing the necessary conditions (for example policies, infrastructure) to realize such benefits;
- Development of strategies to optimally tap on the African Diaspora in addressing skills and funding challenges in the sector; and
- Ensuring that the benefits from mineral exploitation are shared by all stakeholders in an equitable and transparent manner to ensure intergenerational equity in an integrated manner.

Parallel thematic breakout session on role of land resources in development

Chairperson: Ms. Rhoda Tumusiime, AU Commissioner for Rural Economy and Agriculture

- Panellists:**
1. Dr. Abebe Haile Gabriel, Director, Department of Rural Economy and Agriculture, AUC
 2. Mr. Harold Liversage, Land Tenure Advisor, International Fund for Agricultural Development (IFAD)
 3. Ms. Maggie K. Banda, Executive Director, Women Legal Resources Center
 4. Mr. Samuel Nguiffo, General Secretary, Center for Environment and Development
 5. Mr. Micheal Taylor, Programme Manager, Global Policy and Africa Region, International Land Coalition

Summary of the issues or problems raised

160. The Chairperson, Ms. Rhoda Peace Tumusiime, AU Commissioner for Rural Economy and Agriculture inaugurated the session. She set the scene by defining land with a broader integrative view, which included natural resources, their ecosystems and the variety of services that they provided in terms of life resources and productive capacities systems. Expanding human requirements put pressures on the optimal use of land and land resources and often created conflicts.

A more effective and efficient use of land and land resources required overcoming these conflicts. The need of Africa for land resources went beyond its use for agriculture. These included mining, manufacturing, urbanization and tourism, as well as infrastructure development. These uses of land required heavy investment and often implied the engagement of foreign capital. For example, land concessions for extraction had been widely given to foreign consortia, especially in the minerals sector. This had caused tensions between local communities and mining companies. Land policy reforms must therefore address these issues extensively. The use of land for the energy sector had also been driven by foreign investors and was often geared towards export rather than local consumption. Once again, this had raised serious tensions in countries that had to meet their internal food requirements thus creating a scramble for land between the energy and agricultural sector. Finally, land was an important livelihood resource for the poor. Land policy should therefore balance the rights of users in an inclusive manner to include the poor, women, youth and other vulnerable groups.

Main points of the presentations and discussions, including Chair's summary

Speaker: Dr. Abebe Haile Gabriel, Director, Department of Rural Economy and Agriculture (AUC)

161. Dr. Gabriel noted that land was central to Africa's Development as 60 per cent of African people depended on access and use of land for their livelihoods. Any action on land had therefore far-reaching ramifications. Land was not a movable asset; it was composite, embodying other resources, unlike other assets. It was trans-generational and relied on the current generation as caretaker for use by future generations. However, land degradation occurred faster than land regeneration, so serious thought must therefore be given to activities that had degrading impact.

162. He also noted that the African population was increasing at an unparalleled rate. Forecasts indicated that by 2025 convergence would be achieved between the populations of Africa, India and China. The population of Africa would then be larger. The growing population would be increasingly more dependent on land. The total percentage of the working population (the demographic dividend) was both a challenge and an opportunity. He asked where else Africa could engage this working population other than in land-based employment and in the short to medium term. And what the impact was of land policy on this.

163. He highlighted some key constraints that needed to be addressed for enhanced contribution of agriculture to development which included low levels of agricultural productivity and investment for enhanced productivity as well as questions over adequacy of policies and effectiveness of legal and institutional frameworks. Land policy needed to be seen as an important determinant of economic growth and development. Such policy needed to be comprehensive, reflecting the multi-sectoral perspectives. National ownership of land policy was critical to successful implementation.

164. He pointed out that the biggest challenge was that most countries had no comprehensive policy on land. Factors which went against the development of land policy included complexity and high political sensitivity, inadequate baseline data and a weak capacity in land policy development. Even where there was some kind of land policy, its implementation remained a major challenge because of failure to develop implementation strategies; lack of capacity to manage change and inadequacy of implementation infrastructure (land administration systems).

165. He reported that the AU LPI was a response to addressing these challenges. Initiated by AUC, ECA and AfDB, the LPI was implemented as a partnership in close collaboration with RECs and with the engagement of African governments and CSOs. Progress had been made by the AUC-AfDB-ECA Joint LPI Secretariat which included the publication and dissemination of the

Framework and Guidelines on Land Policy in Africa and the AU Declaration on Land thus supporting the follow-up Nairobi Action Plan on LSLBI. There had also been some progress towards building the capacity of, and providing support to, RECs. In addition, various studies had been undertaken on related topics. The most important progress with respect to implementation was that which took place at the country level. RECs had a critical role in facilitating experience sharing, mutual learning, among others, as well as mainstreaming land and the declaration on land within their policies. Finally, the role of other actors was recognized under the F&G. Once again, the African Union had no information on the efforts currently underway to implement the Declaration.

Speaker: Mr. Harold Liversage, Land Tenure Advisor, International Fund for Agricultural Development (IFAD)

166. Mr. Liversage made a presentation on the cost and benefits of land deals and how to guide FDI for Africa's agricultural transformation and development. Contextualizing the debate, he noted that discussions tended to evolve around large-scale investment. However, he asked, who these investors in Africa were. They tended to be smallholder farmers and particularly women. To improve conditions for this type of investment, they therefore needed to be put at the centre of any agricultural and rural development programme. In addition, he said they also needed to be looking at investments beyond traditional land-based acquisitions so as to include a wider range of investments, from large to small, including both foreign and domestic. All these investments had a potential role to play and bore potential risks and benefits. Furthermore, not all investors were "exploitative profiteers". They also needed to consider the "innovative entrepreneurs". Understanding the needs of the different investors was therefore key to maximizing investments in the sector.

167. He highlighted some of the potential benefits of these investments which included: (a) better access to inputs; (b) technical expertise; (c) agro-processing; (d) access to finance and markets. The risks however included: (i) loss of access to land; (ii) deterioration of livelihoods; (iii) land degradation; and (iv) erosion of the social and economic fabric of rural communities. Securing land rights was critical to addressing some of these risks and ensuring that economic empowerment was given to the smallholder and rural farmers. He emphasized that partnerships between rural communities and farmers were critical. Attracting investments should therefore be geared towards foreign investors putting more inputs into market access and focusing less on land acquisition. Inclusive business models were an instrument to balance risks and sharing benefit derived from these investments. To promote investments, sustained capacity-building in rural communities and producer groups was a must, as well as monitoring and evaluation to assess the impact of the investment. When clear agreements involving investors, communities and governments were reached, risks might be minimized. This would require solid governance systems in land and natural resource management (for example LPI through the Comprehensive African Agriculture Development programme (CAADP). Lessons might be learned from a case study from Uganda, in the oil palm sector. Smallholder farmers who had 10 per cent share in the estate company had been able to develop expertise and there had been a positive impact in land infrastructure, social services, people's livelihood, natural resources management and food security.

Mr. Samuel Nguiffo, General Secretary, Centre for Environment and Development

168. Mr. Nguiffo pointed out that African countries had little or no standards on environmental issues governing LSLBI. Setting conditions was often seen as keeping away investors. He argued that sustainability could be understood as looking at environmental conditions to ensure that resources available to us at the time would be available to future generations as well. There was a need to ensure that LSLBI happening in Africa at the time resulted in growth that was equitable and

could ensure that future generations took part in its benefits. He suggested that to integrate and accelerate land use planning when embracing LSLBI in Africa, there was a need for an integrated vision. Land deals were usually driven by the demands of incoming companies who chose the type and location of their investment. Illustrating LSLBI with the example of Cameroon, he highlighted the overlaps with villages, national parks and other existing land uses, in the middle of protected areas and incorporated villages. He noted that this could have led to the expropriation of some of the surrounding land in future, due to such competition for land use.

169. He reiterated that land deals in Africa should be compliant with existing government policies on climate change and land policy. It was also necessary to look at comparative value: for example, forests helped to mitigate climate change and there was an existing global carbon market which offered opportunities for financing through emissions. So giving away land reduced possible carbon credits against such land. He noted that governments should therefore always consider the carbon equivalents of any land committed to LSLBIs. If the purpose of LSLBIs in Africa was just revenue generation, then they needed to look at the best possible use of the affected land. There was no free land in Africa and the rights of people were affected. It was therefore important to devise tools to identify community land affected by LSLBIs and ensure that the investing companies shared the wealth they made with communities.

170. He reported that a comparative case study looking at the production of palm oil produced through large-scale farms and smallholder farms indicated that the yield per unit size was very close. He argued that this illustrated that instead of committing land to LSLBIs with their associated challenges, governments could consider promoting small-scale farmers.

Ms. Maggie K. Banda, Executive Director, Women Legal Resources Centre, Malawi

171. Ms. Banda highlighted the human rights and social perspectives of LSLBI in the context of gender issues. She contextualized the issues arguing that the perception of available land and favourable climate for agriculture together with the hope of generating benefits in the form of job opportunities, increased productivity, economic development and increase of public revenue encouraged LSLBI in Africa. Land was acquired for food production, biofuel production and mineral exploitation. These investments were often done without the consent of people even if they often affected local people and their rights.

172. She noted that women were often more affected by the negative impact of LSLBI than men. In fact, she argued that access to resources and land became a gender issue because women were often responsible for water collection and subsistence agriculture. The LSLBI influenced people's access to resources including water, making collection of water more time-consuming and difficult because of increased distance and more complicated access to sources.

173. She also noted that LSLBI could also lead to food insecurity for households since women lost access to land and their livelihood strategies changed. In this situation, she argued, women could become vulnerable and exposed to risks (such as HIV) and additional sources of revenue needed to be looked at.

174. She recommended that LSLBI should adopt rights-based approaches that protected women and men equally. Governments should ensure that LSLBI did not lead to loss of access to resources such as land and that benefits were trickled down to the community members. Investors should balance pro-poor objectives with the objectives of market economy. When planning investments and before approving deals, gender analysis should be undertaken. The impact of LSLBI to the lives of women and men should be examined.

Mr. Michael Taylor, Programme Manager, Global Policy and Africa region, International Land Coalition

175. Mr. Taylor reported that LSLBIs were facing similar challenges as those for other key natural resources. There was a widespread fear that policy mistakes in the mining sector and other productive sectors might be replicated in land. Within the context of a growing population with evolving consumption habits, increasing demand for energy, the land resource was not static and considerable land was lost to degradation. Between 1.5 to 2 billion people worldwide especially in Africa did not enjoy legal land rights. He introduced the Land Matrix which provided a detailed overview of all ongoing land deals in all regions of the world, including Africa. He reiterated that the main issue remained that the land rights of people were not sufficiently recognized.

176. He argued that usually that happened in “commons” where the land value was not clear. Some countries such as Mozambique had put in place policies, recognizing the rights of the most vulnerable populations and put smallholder production at the centre of strategies. He noted that while 60-80 per cent of food was produced by smallholder farmers, there was no example in Africa where governments had developed a fully integrated land policy.

Discussions:

- The Ugandan experience highlights that it is of utmost importance to manage the expectations of the smallholder farmer and investor, so that the benefits accruing from the investment can be appreciated in terms of its contribution to the economy and especially to the livelihoods of people.
- From the experience in some countries, zoning policies can help manage land resources and control environmental degradation, especially for activities that intensively use land such as large-scale mining and agriculture. Zoning policies should target the increase of arable land and also consider particularly post mining land recovery.
- Governments must open up and be transparent about the negotiation of contracts with investors. It is a challenge to manage land resources so that all sectors of society are included. There is also a need to clarify land-grabbing and land-acquisition. Furthermore, there is also a need to interrogate the role of the local elites within local communities, as they may also be engaged in land grabs.
- The African Parliament has advised that African governments pose a temporary moratorium on large land-acquisitions. Recommendations by NGOs such as Oxfam, Action Aid and Ropa include: improved transparency on land deals, conforming to rules and regulations and designing market driven policies which address women and youth issues and do not jeopardize CAAP, thus guaranteeing the protection of pastoral ecosystems.
- In Africa, there are contradictory pieces of legislation on land, fisheries, forestry and water without interface and this makes implementation of governance of natural resources management insurmountable. There is a need to harmonize policies and regulations so that we are better able to harness natural resources.
- There is a need to value and recognize the role of women in farming in the Sahel region by according the right to property. Gender perspective in land policy and land rights of women is of utmost importance. Empowering women on land issues implies ensuring them land rights.
- An interesting sharing of experiences was given on the initiative in the Green Morocco which is a framework for investor-farmer partnerships in the use of agricultural

resources. Investors partner farmers to ensure technical capacity and commercialization of their products. Investors are given land on the basis of the number of farmers they are able to group and set the basis for improvements in production. This new model has overtaken the cooperatives model which did not achieve the desired results in the past decades.

- The food crisis was driven by speculation and resilience and addressing this type of challenge requires good policies. In Maputo, governments agreed to increase their agricultural investments to 10 per cent, which is considered a good policy. However, only 11 countries have done this so far. Most of the governance issues raised on land are well covered in the LPI and other international initiatives. However, implementation of what has been agreed on at international level has been poor. Private sector investment needs to leverage the Maputo commitment of governments so that the growth target of 6 per cent may be reached.
- Land policy is critical in mitigating conflict over land use. FDI in land tends to target the land that is resourceful. This leaves less viable land for small-scale pastoralists and farmers, which then raises conflicts over the use of this land.

Important points of agreements or disagreements

- Land is often a safety net for the poor and other vulnerable groups. Legally recognizing the land rights of the poor working on land is therefore of critical importance. Policies tend to favour large-scale farmers and there seems to be a growing consensus to refocus on enabling smallholder producers, and this starts with land rights.
- There is the need for a better application of legal instruments and international conventions so as to safeguard our land resources.
- There appears to be an information gap – academic institutions have to undertake more rigorous research and provide policymakers with an empirical base upon which they can base their decision-making.
- It is critical for the region to develop a monitoring and evaluation system on the use and tenancy of land and other natural resources. For instance, reporting periodically using the CAADP approach could be useful.
- There is insufficient policy implementation in general. In many countries there is a need to reform the institution responsible for land administration in order to unlock progress.
- For agriculture to contribute more to the economy, we need to invest more in agriculture.

Conclusions and recommendations

- Africa needs a clear vision on the use and management of resources in an inclusive manner for the development and transformation of the continent. Africa should formulate strategies targeting its development objectives through the use of its natural resources.
- Africa needs laws and policies that are gender sensitive. African customs and culture determine access to land, which marginalize women. African governments need to highlight concretely what women are supposed to get.
- Member States should ensure that land rights are given to the more vulnerable groups, especially the poor. This is fundamental to empower Africans for economic transformation and development.

- African member States need to make greater efforts towards implementing their international commitments for better management of natural resources, including land, such as the Maputo Declaration. A continental mechanism for consolidating and sharing information on the implementation of the Declaration already exists and should be enforced in the context of the AU Summit gathering under its Assembly item “Report on Implementation”.
- There is a need to develop policies and legislation building on the Framework and Guidelines on Land Policy, the Nairobi Action Plan on LSLBIs and the governance principles of the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security.
- Countries should be encouraged to use the above instruments and continue multi-stakeholder dialogue at all levels. Partnerships need to be further leveraged between Governments, Intergovernmental Organizations including United Nations agencies and other stakeholders, building on existing platforms such as the Regional Coordination Mechanism (RCM) and the programme of work of the United Nations Convention to Combat Desertification (UNCCD).
- Private sector investment is critical in the development of land use. Proper promotion of investments in small-scale farming which partner local communities, create access to inputs, markets and finance opportunities and have a clear contribution to the economy are desirable and have the potential to empower the poorer sectors of rural workers in Africa. Governments should take the lead in establishing a dialogue on the approach to investments in land.
- Governments should design market driven policies which do not jeopardize CAADP and have a harmonized approach in harnessing all of the natural resources of Africa for its structural transformation.

Strategic issues (and potential responses)

- Land policy of today has to consider its impact in the future. Forecasting is unavoidable. There are demographic and intergenerational implications that must be considered when designing land policy which must be addressed rigorously.
- By 2025, the population between Africa, India and China will reach a convergence. Thereafter, the population of Africa will continue to grow at a rate higher than that of India and China. It is therefore of strategic importance to improve performance in the agricultural sector, which is the sector that takes up most of Africa’s labour and where the continent has a global comparative advantage.
- It is of strategic importance to mainstream gender into the land policy debate. Bringing in the dimension of women’s rights could greatly improve the livelihoods of many households in Africa, since rural farming in many households is led by women.
- There are little or no standards on environmental issues for large-scale land acquisitions. Exemptions to the application of environmental laws for foreign investors acquiring land concessions are common. Sustainable development is about optimizing the use of the resources for present and future generations. Application of justice and equity standards could help in this regard.

Parallel thematic breakout session on role of fishery resources in development

Chairperson: H.E. Mr. Moses Mudavadi, Deputy Prime Minister of the Republic of Kenya

- Panellists:**
1. Mr. Magnus Ngoile, Oceans and Coastal Policy and Governance Consultant, UNDP-GEF
 2. Mr. Jean-Louis Kromer Senior Natural Resources Officer, African Development Bank
 3. Professor Edosa Omoregie, Director, Sam Nujoma Marine Research Centre, University of Namibia
Professor Sumaila Rashid, Director, Fish Centre, University of British Columbia

177. Four presentations were made during this session which looked at : (a) Governance of large marine ecosystems; (b) Financing fisheries and aquaculture development in Africa; (c) Marine research and training in support of policies and programmes for fisheries and aquaculture development: The Case of Namibia; and (d) Curbing Illegal unreported unregulated (IUU) fishing: A political economy perspective.

178. The presentation of Mr. Ngoile focussed on the governance of large marine ecosystems, financing fisheries and aquaculture development in Africa. It looked at bringing together players in policy-planning-management-research. This was mainly based on western Indian Ocean countries in supporting efforts to collectively manage the marine and coastal resources on which communities and economies depend. He pointed out that among the marine and coastal resources, fisheries were key for livelihoods and revenue. He stressed the need to understand the dynamics of the ecosystem in planning strategies for sustainable use. He also stressed the need to translate the available scientific information into reliable predictions and policy guidelines which countries could act upon so as to adapt and mitigate the negative impact. He looked at science-based governance where emphasis was placed on the interaction between science and policy which was imperative then and required special skill-sets within both the scientific community and the political arena. He argued that this interplay between science, policy and governance mechanism would not only provide policymakers and managers with a means to prioritize limited resources on the basis of reliable prediction, but would also provide feedback to the scientific community on what the priorities for the decision makers were.

179. He also looked at the challenges to an effective adaptive management of the large marine ecosystem. These included issues to do with: good baseline data and long-term comparable data collection; translation of scientific data and conclusions into appropriate language for management and policymaking purposes; and regional coordination mechanism to guide both regional and national monitoring and management activities and policies. He stressed the need for commitment and coordination in terms of taking responsibility for various activities, funding and equipment, at regional level, and requirement for strong partnerships and alliances between stakeholders and interested parties. He argued that there was a need to anchor large marine ecosystems to the ECA, AUC or through any of the existing mechanisms on the continent for the fisheries industry to be effective.

180. Mr. Kromer made a presentation on financing fisheries and aquaculture development in Africa, mainly focussing on AfDB experience and lessons from the implementation of the NEPAD action plan for the development of African fisheries and aquaculture. He informed delegates that the new long-term strategy with regard to fisheries development was based on two priorities and prospects which included inclusive growth to provide employment opportunities outside the

fisheries sector, and green growth which would include measures to help fisher-folks and coastal communities adapt to Climate Change impact. He also informed the gathering that the AfDB was one of the main donors to the fisheries sector on the continent with a portfolio total budget of 106 million UA (around \$160 million).

181. He also looked at the NEPAD Action Plan for the Development of African Fisheries and Aquaculture which had investment areas with the aim of improving productivity, environmental sustainability, market development and trade, and food security and nutrition. In terms of the lessons learnt through the Bank's activities in the field of fisheries, he noted that: (a) there was no scope for increasing production of captured fisheries (most stocks were already fully exploited); (b) there was the need for aquaculture development to be done through the private sector; and (c) there was the need to support the fisheries sector to make a contribution towards poverty reduction. He emphasized the need for African fisheries development to focus on sustainable fisheries management, including governance and maximizing the contribution of fisheries to economic development and food security. Noting that Africa lost a lot of money on IUU fishing, he argued for the need for alternative livelihoods for the fisher folk, and the need for continued support from governments. He suggested that climate change adaptation and mitigation should be included in new operations to lessen its impact on the fisheries industry.

182. Prof. Omoregie made a presentation on "Marine Research and Training in Support of Policies and Programmes for Fisheries and Aquaculture Development in Namibia" which was regarded a model for African countries. He underscored the support being given by the Namibian government in support research and training in the fishing industry. He also looked at issues to do with licensing and Namibia's Fisheries Act which made sure the country benefited directly or indirectly from the industry as it was the 3rd largest contributor to the country's GDP. He stressed the need for research and training in the sector as well as availability of reliable data through the development of institutions. He stressed that Namibia had succeeded in achieving full cost recovery for the management of its marine fisheries sector through value addition, increase in government revenue (third contributor to GDP), development of onshore fish processing facilities, skill development, and job creation (both direct and indirect). He stressed the need to curb illegal fishing and enhancement of research and training and support by regional and international organizations in fisheries and aquaculture.

183. Prof. Rashid made a presentation on curbing IUU fishing from a political economy perspective. His presentation looked at illegal fishing and its negative impact which led to inaccurate stock assessment and also threatened the food security of current and future generations. He intimated that IUU also distorted the market for fishing and undermined job creation, income and profits from the sector. He stressed that IUU existed mainly due to the fact that it was economically perceived that the expected benefit was greater than the expected cost. There was hence a need to reverse that trend to curb illegal fishing. He also looked at some case studies relating to curbing IUU in Namibia, north western Australia and the Bingis case which involved RSA and USA. He emphasised the insights that came from the case studies which included reversing the cost-benefit ratio from illegal fishing, the social norms and the use of technology in the industry.

Panel discussions and recommendations

184. During the discussions, the following issues were raised for further consideration by ADF:

- AUC should be in the forefront in the coordination and harmonisation of donors led by AUC, Member States and policies of regional bodies through agreed upon conventions

and other intervention mechanisms are needed to curb confusions, disorganization, duplications, among others in the management of marine ecosystems and resources;

- Strong collaboration with the ministries of justice in the fight against illegal fishing, which should be regarded as a crime;
- The need for awareness-raising among the relevant stakeholders in the fishing industry and a realistic value (more than \$1 billion) should be devoted to fighting illegal fishing to emphasize the impact of IUU, in order to attract donor attention and support;
- Illegal fishing should be depoliticized and rationalised, by avoiding the IUU terminology and adopting other terminologies that would make law enforcement operational and international collaboration should be encouraged to deal with all the criminals in the sector;
- The protection of marine resources, research, surveillance, among others should be a regional matter since African boundaries are very porous and difficult to define/demark, taking into consideration that fish do not respect national boundaries;
- ADF should lead to concrete actions, clearly and effectively addressing the issues of resource plundering, particularly in countries like Somalia which are politically unstable;
- It is important to get women, who are the major stakeholders in the fisheries sector in many African countries, to be involved in the policy design and implementation process and in the translation of the laws into local languages to enhance the management of resource depletion;
- It is important to focus on the IUU on an industrial scale and introduce the co-management perspective;
- There is a need to consider fish as an economic resource just like any other resource in development circles, which has not been the case thus far;
- There exist complicated and long processes in securing funding from donor organizations hence making it very difficult to get funding, which should be redressed. There is also the need for transparency in all the procurement and administration processes such as licenses, contracts, among others;
- Capacity-building and training should be extended to all the stakeholders involved in the resource management and exploitation, including judges, law-enforcers, fishermen, among others. This includes fishermen as they need to be taught how to manage their finances from fishing;
- Regional cooperation between countries that share resources, on negotiation on fisheries treaties, fight against illegal fishing, should be reinforced;
- Some practices to maximize rent from fisheries that seemed appropriate for some countries, like the Botswana case, might not be feasible in others with different culture or behaviours, hence the bottom-up approach is crucial;
- The aquaculture agenda needs to take into account population growth and replicate success stories of fisheries but should not neglect wild fisheries when promoting aquaculture development;
- There is a need to revamp the aquaculture centre and make sure the expertise that exists in the regional bodies is utilized;
- There is a need to turn research findings/recommendations into programmes of action since a lot of research has already been done in this sector;
- Think tanks, investment plans and coordination mechanisms are needed at country level;
- Coordination mechanisms on information sharing among countries, and other institutions involved in the sector are needed;

- The imbalances between poverty among fishing communities and the benefits obtained from fishing need to be carefully addressed;
- A conducive environment in the form of legislative framework, science and technology (for instance the use of GIS) and financing should be incorporated in the surveillance processes.

Parallel thematic breakout session on the role of forest resources in development

Chair: Ms. Jan McAlpine, Director, United Nations Forum on Forests

Presenters/Panelists:

Mr. Pape Djiby Kone, International Forestry Expert
Ms. Eva Muller, Director, Forest Economics, Policy and Products, FAO
Mr. Moustapha Kamal Gueye, Acting Head, Green Economy Advisory, UNEP
Ms. Lucy Mulenkei, Director, Indigenous Information Network, Kenya
Mr. Harrison Kojwang, Former Africa Regional Representative of WWF
Mr. Mafa Chipeta, Forest Policy Expert

Main points of presentation and discussion

185. The presenters made mutually reinforcing presentations covering the following areas: (i) economic issues in enhancing the role of forest resources in development; (ii) forest governance, human rights and social issues; (iii) environmental stewardship for sustainable forest resources development; and (iv) forest policy, legislation and institutional reform and capacity-building, including knowledge management.

186. The following were the main points of presentation and discussion under each of the areas:

(a) Economic issues in enhancing the role of forest resources in development

Forests in Africa cover about 23 per cent of the land area but make a relatively small contribution to formal national economies.

Although value addition had increased slightly over the last decade it remained low. Industrial round wood accounts for about two-thirds of value addition in the sector. Lack of capacity and access to technology and wider markets constrained further processing and value addition of forest products.

Formal employment in the sector is similarly low – about 0.2 per cent of the labour force in Africa is employed in forestry and forest industries.

It is important to manage forests more effectively for charcoal production.

Reducing Emissions from Deforestation and Forest Degradation "plus" conservation, the sustainable management of forests and enhancement of forest carbon stocks) (REDD+) holds the most promise for forest rich countries, but is less applicable as an instrument in dry zone and low forest cover countries. Land tenure and the insecurity of property rights is one of the biggest problems for effective capture of benefits from REDD+.

There is inadequate awareness, knowledge and capacity at various levels in the region on both REDD+ and green economy or growth.

Wood energy, non-wood forest products tremendously contribute to socio-economic development particularly in dryer zones.

Linkages between the forest and other sectors need to be strengthened to enhance economic, social and environmental benefits.

(b) Forest governance, human rights and social issues

There is generally weak governance of land and forest resources in many African countries. Political instability, conflict and weak institutional structures contribute to weak governance of forest resources in the region.

Addressing corruption and low levels of transparency in development and use of forest resources is key to enhancing equitable sharing of benefits from forests and enhancing their role in sustainable development in Africa,

It is important to recognize the rights and role of indigenous communities, women and youth in the development and management of forests.

(c) Environmental Stewardship for Sustainable Forest Resources Development

All benefits from forests including the goods and services provided by forests are important for sustainable development and need to be taken into account in development and management of forests.

It is important to improve land use planning, taking into account forest externalities in land use policies and restoration of degraded lands.

(d) Forest policy, legislation and institutional reform and capacity-building including knowledge management

Forest policies and those of other important sectors such as mining, infrastructure, agriculture and water are not integrated and coordinated. In this regard forest administrations need to effectively engage with other sectoral institutions in formulating forest policies and legislation to enhance coherence and mutual benefits.

African countries need to be pragmatic and selective in the implementation of all policies adopted. This should be driven by regional needs and priorities. Greater ambition, rather than small-scale pilot schemes is needed in the implementation of the plans.

Investment in forest research has greatly declined. In addition, forest mapping and inventory are not carried out in many countries. This constrains effective policy and programme formulation and implementation in the sector.

(e) *Cross-cutting issues*

It is important to strengthen regional cooperation in order to expand markets for forest products and services in the region, and to enhance cross-border management of forests through harmonization of strategies and programmes

Providing support to and the implementation of endogenous initiatives such as the NEPAD Environment Action plan and CAADP need to be prioritized instead of externally driven initiatives

There are inadequate statistics for forests. This weakens advocacy and communication of forests and development, planning, programming and decision-making

There is low investment in the forest sector.

Conclusions and Recommendations

187. There is a need to promote local forest entrepreneurship and value addition for forest products. These need to be facilitated by providing access to technology, credit and wider markets. Governments should provide the necessary incentives and improve on the participation of financial institutions.

188. Non-wood forest products provide an opportunity for expanding the contribution of forests to economic development. In order to harness this opportunity, there is the need to strengthen the legal basis, improve market access and build the capacity of small and medium forest enterprises as well as capture proceeds from these products in the formal economy.

189. Lead forest institutions at national and local levels need to pro-actively engage in policy dialogue and develop partnerships with key sectors such as agriculture, infrastructure, mining, energy, water, and financial institutions to identify areas of mutual benefits and implement win-win initiatives. Additionally, the forest sector should engage more proactively in national poverty reduction strategies to benefit from related development and funding opportunities.

190. Development partners should support African countries to domesticate and implement the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security (VG). This provides an opportunity for African countries to capture more effectively the benefits REDD+ offers.

191. Greater awareness and capacity-building at local, national and regional levels in both REDD+ and green economy is necessary, and could trigger widescale actions and initiatives that countries could benefit from. ECA, UNEP, FAO, UNFF in collaboration with AUC should therefore develop and implement coherent programmes to create awareness and strengthen capacities of countries and regional and subregional institutions on green economy or growth and REDD+

192. Opportunities need to be created to effectively train and expand employment opportunities for youth in the forest sector

193. Investment, development and management of both natural and plantation forests should be undertaken as a business with costs and benefits well identified and paid for by both forest goods and services. This should however be accompanied by capacity-building on forest valuation, and awareness creation among the public, policymakers and financing institutions.

194. Forest development and management should be undertaken through an ecosystem or landscape approach in order to strengthen linkages with different sectors and optimize benefits from forestry including both goods and services. In addition, targeted investments in forests could generate new jobs.

Strategic issues that need to be addressed by policymakers at national, subregional and regional levels

195. Scaling-up investments in the forest sector is required to combat deforestation and increase reforestation and afforestation. However, in order to increase the attractiveness for foreign investment in the forest sector, economic risks need to be reduced and governance strengthened.

196. In order to leverage opportunities offered by green growth initiatives to enhance economic gains and achieve sustainable forest management, there is a need for countries to re-invest income from royalties and taxes in the forestry sector. They should also employ market-based instruments to promote green investment and innovation as well as insure investments and risks peculiar to the forest sector.

197. There is a need to invest in forest valuation and develop forest statistics to support among others, planning, effective communication and advocacy on the role of forests in development in the region.

198. There is a need to enhance support for domestication, synergy and achievement of measurable results in the implementation of the United Nations Framework Convention on Climate Change, the United Nations Convention to Combat Desertification, the Convention on biodiversity, the Non-legally Binding Instrument on all types of forests and Rio+20 forests-related outcomes.

199. Resource mobilization should be strengthened to support the implementation of the forest initiatives in the NEPAD Environment Action Plan. These include the Green Wall for the Sahara Initiative and the Congo Basin Convergence Plan.

200. Effective advocacy should be undertaken with political and decision makers in the region on the outcomes and recommendations from ADF to ensure their adoption and implementation at various levels.

VII. Plenary session 6: Open-ended discussion on the Draft Consensus Statement

201. Prof. Adebayo Olukoshi presented the draft consensus statement for consideration by the Forum. After constructive discussion and amendments, the Forum adopted the consensus statement which is presented in full in annex.

VIII. Plenary session 7: High-level reflections on key messages

The importance of the nexus of natural resources

202. A theme which was implicit but not explicit in the week long deliberations was that all natural resources were connected to each other. Land and water were inputs in agriculture, forestry, mining and aquaculture; energy was an input in mining, agriculture and water supply; agricultural land could be used for the production of food or biofuels; metals were needed for modern energy

technologies; and the exploitation of some of these resources could trigger competition for land and water.

203. This “resource nexus” creates governance challenges at local, regional and global levels, and these challenges are becoming more severe as population growth and economic development drive growing demand for natural resource commodities. Global climate change further exacerbates the impact of poor resource governance.

204. A recent study¹ has distinguished three realms of the resource nexus:

1. The “Nexus on the Ground” arises from local resource depletion and directly affects human security. Local competition for scarce food, water and energy can trigger violence and migration, which in turn can have international repercussions.
2. The “Nexus of Strategic Interests” has its origins in states which seek to exert their sovereign rights over resources which spread over international boundaries in a way which ignores norms of international governance. The construction of dams for energy production in the upstream waters of a transboundary river is an example of a situation which can trigger inter-state tensions.
3. In the “Nexus of Global Markets”, decisions taken on one continent concerning a particular resource can have an impact on a different resource on another continent. The decision of the United States and the European Union to promote the use of bio-fuel energy contributed to the rise of food prices and to the surge in investment in commercial agricultural land in Africa.

205. The main implication of the resource nexus to the deliberations of ADF-VIII is that the governance of natural resources in Africa has to be integrated. Many contributions emphasized the need to create links between the management of a particular resource and the rest of the economy, but insufficient attention was placed on the need to look at the resource endowment of a nation or region as a whole, and to make integrated plans to govern these resources in a way which recognizes the tensions between different resource sectors and the trade-offs that may have to be made.

206. To pick up specific themes raised in the deliberations, such integrated resource management will require:

1. A high degree of coordination between agencies managing different resources, at national, regional and continental levels.
2. The integration of information relating to different resources. In this respect, the planned development of a continent wide Geographic Information Scheme (AEGOS) will make a significant contribution.
3. The capacity-building programmes to produce a cadre of professionals who have a wide understanding of natural resource governance, at local, regional and global levels.

¹The Global Resource Nexus. Struggles for Land, Energy, Food, Water, and Minerals. Available at: http://www.transatlanticacademy.org/sites/default/files/publications/TA%202012%20report_web_version.pdf

4. The recognition that the best knowledge of the resource nexus on the ground usually lies with the local communities.

IX. Closing session

207. In closing, and on behalf of the three organizers –ECA, AUC and AfDB, Deputy Executive Secretary of ECA, Mr. Abdalla Hamdok acknowledged the invaluable contributions made in various ways by all the participants to the success of the Forum on “Governing and Harnessing Natural Resources for Africa’s Development”. He underscored the point that the high attendance and active participation of delegations from African countries in the Forum attested to their commitment to catapulting Africa to the next phase through sustainable natural resource management, fostering broad-based and inclusive economic growth which would have positive spillover effects on other sectors. He reiterated that harnessing Africa’s natural resources for the sustainable benefit of the current populations and posterity was achievable and should be vigorously pursued. He acknowledged the Forum’s emphasis on the importance of transparency, including good governance, human rights, social development, gender and youth concerns. He expressed the hope that each delegate would carry forward the issues discussed during the Forum’s frank, enriching and intensive dialogue. Mr. Hamdok hoped that the participants would implement recommendations of the Forum, particularly those presented under the consensus statement. He noted that as the main outcome of the Forum’s deliberation - the consensus statement - provided an agenda for action in each of the areas of deliberation, and assigned a role to all stakeholders in the implementation process at the local, national and regional levels. He therefore urged the participants to maintain their expressed commitment to move from rhetoric to action to ensure the effective implementation of the recommendations for effective harnessing of the natural resource endowment of Africa.

208. On behalf of the organizers, Mr. Hamdok extended his sincere gratitude to Their Excellencies Prime Minister Hailemariam Desalegn of the Federal Democratic Republic of Ethiopia and President Festus Mogae former president of Botswana, for their exemplary leadership, commitment and contributions to the success of the event. He also commended Ministers and Ambassadors from member States and partnering countries for the energy they brought to the sessions, and their encouraging support to the major initiatives of ECA. He expressed similar sentiments to all the participants and resource persons, including chairpersons, lead speakers, moderators, discussants, panellists and representatives of CSOs, for their energy and fresh perspectives, which enlightened and educated the ADF.

209. Lastly, Mr Hamdok concluded by underscoring the continued commitment of the joint secretariat of the AUC, ECA and AfDB in supporting efforts of member States to harness their natural resources and commended all the staff of the ECA, AfDB, AUC, other United Nations agencies for the collaborative manner in which they organized the Forum through the ADF-VIII secretariat and its steering and other committees. He commended the government and people of Ethiopia for the generous hospitality and excellent arrangements made for the Forum, and declared the Eighth African Development Forum closed.



Annex

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Eighth African Development Forum (ADF-VIII)

Governing and Harnessing Natural Resources for Africa's Development

Addis Ababa, Ethiopia
23-25 October 2012

Consensus Statement



African Union



African Development Bank



Economic Commission for Africa

Preamble

We, participants at the Eighth African Development Forum (ADF-VIII) on the theme, “Governing and Harnessing Natural Resources for Africa’s Development”,

Representing stakeholders from across the African continent, including Governments, academia, civil society, traditional rulers, the private sector, the United Nations family and development partners, met in Addis Ababa, Ethiopia, from 23 to 25 October 2012, at the invitation of the African Union Commission (AUC), the United Nations Economic Commission for Africa (ECA) and the African Development Bank (AfDB);

Cognizant of the vast natural resource endowments that the African continent enjoys in the form of land, minerals, fisheries, and forests;

Aware of the significant role which the natural resource endowments of the continent can and should play in the structural transformation of the economies of African countries and the all-round improvement in the lives of the citizenry;

Conscious of the unwholesome history of natural resource exploitation on the continent and determined to put an end to that history so that Africa’s endowments can become a source of developmental transformation that benefits its peoples;

Convinced that the fabled natural resource curse is not a fatality to which Africa is condemned, in whole or in part, and committed to the transformation of Africa’s resource wealth into a blessing for its peoples;

Noting the increased international interest in and demand for Africa’s natural resources and aware that this presents an opportunity which, if properly harnessed and managed, can rapidly help to turn the table of underdevelopment on the continent;

Committed to the promotion of wholesome participation by African women and the youth in the harnessing of Africa’s natural resource endowments and the achievement of gender and inter-generational equity in all domains and dimensions of natural resource management;

Recognizing that some of the natural resource endowments of the continent are finite and the commodity price boom which is currently being enjoyed in some sectors will not continue indefinitely;

Noting the importance of the sustainable exploitation of Africa’s natural resource endowment for the environment, local communities and the present and future generations of Africans;

Conscious of the salience of all-round multi-level contract transparency and accountability to the effective governance of natural resources for the attainment of development ends that will benefit the citizenry;

Committed to the achievement of a natural resource development regime and strategy in which private investors are supported as much as they are also held accountable and required to fulfil their financial, economic, social, environmental, ethical, and other associated obligations;

Affirming the obligations of governments and private investors to protect communities that are affected by the exploitation and development of natural resources;

Aware of the importance of research and innovation in the quest by African countries to derive optimal benefits from their natural resource endowments;

Cognizant of the role of energy as a key resource in the development of the other natural endowments of Africa;

Welcoming the adoption of the Africa Mining Vision (AMV) by African leaders in 2009 as the overarching continental framework for a more development-centred and equitable management of the natural resource wealth of the continent;

Recognizing the importance of ensuring that Africa speaks with one voice and Africans believe in their own visions, ideas, and programmes;

Recalling all the relevant declarations and programmes of the African Union and the United Nations on natural resources, which African countries have endorsed.

Adopt this consensus statement as follows:

I. Mineral Resources for Africa's Development

1. Africa's considerable mineral wealth endowment ranks the continent first or second in known world reserves of bauxite, chromites, cobalt, industrial diamond, manganese, phosphate rock, platinum-group metals, soda ash, vermiculite and zirconium. The continent is also a major global producer of these and other minerals. These mineral resources represent a considerable asset base and an opportunity for broad-based economic development. Yet, Africa continues to suffer from a high incidence of poverty and underdevelopment even as the full potentiality of its mineral wealth endowment remains largely untapped due to structural and institutional challenges. These constraints include the absence of an integrated planning and management framework; the adverse impact of an improperly managed minerals sector boom on the rest of the economy; the lack of forward and backward linkages; the unequal sharing of the mineral resource rent across the value chain; poor legal, fiscal and regulatory frameworks; weak institutional capacity, including the capacity to negotiate beneficial mineral agreements; and financial benefits that are lost by Africa through transfer pricing, illicit transfers and other covert mechanisms.

2. In its effort to overcome constraints and ensure that exploitation of its mineral wealth plays a greater role in its development, Africa can capitalize on the strategic and comparative advantages it enjoys. These include the much improved investor attractiveness of the continent; increased competition for mineral acreage; a rising demand for mineral commodities that has translated into booming global commodity prices; improved domestic governance; strong participation of civil society organizations in public affairs; a more favourable political climate, including greater awareness of the important role which a properly anchored and structured developmental State could play; strong interest in articulating and operationalizing a more development-oriented policy framework for the minerals sector; and a much broader recognition of the imperatives of the social license to mine.

3. The AMV, which was adopted in February 2009 by the Assembly of Heads of State and Government of the African Union, was a watershed in the collective desire by African countries to break with an unhappy history of mineral resource exploitation and transit towards resource-based growth and industrialization to help drive the progressive structural transformation of the continent. Achieving the goals set out in the AMV, including the "transparent, equitable and optimal exploitation of mineral resources to underpin broad-based sustainable growth and socioeconomic development", is the major challenge for African countries today.

Recommendations

4. In seeking to imbue mining activities in Africa with a much greater developmental role, ***African countries should:***

(a) ***Undertake*** all-round domestic policy reforms in the mining and other sectors to: anchor the minerals sector in a broad development vision; better align mineral, industrial and trade policies; institutionalize inter-departmental collaboration within the governmental system; expand local ownership, participation and control in the mining sector; significantly increase local content; boost mining revenue/taxation receipts whilst plugging financial leakages; enhance the contribution of mining activities to various backward and forward linkages in the local economy throughout the entire mineral value chain, and overcome the phenomenon of enclave economies; catalyze the emergence of domestic and regional economic corridors across the continent; improve geological and geo-scientific knowledge; promote environmental, social and material stewardship; and give attention to urban mining for the purpose of recycling extractable precious and base metals from e-waste;

(b) ***Commit*** to entrenching democratic governance principles along the mineral value chain, including strengthening the African Peer Review Mechanism (APRM) with a view to strategically repositioning it to become the primary instrument for promoting a shared understanding of mineral value creation, eliminating mineral resource-driven conflicts, institutionalizing mandatory mineral revenue disclosure, and improving overall mineral sector governance in Africa;

(c) ***Embrace*** the transparency and accountability advocated for by the AMV, the Extractive Industries Transparency Initiative and similar reciprocal accountability standards and mechanisms to ensure that the minerals sector delivers development dividends to Governments and communities while rewarding investors for the risk they take. This outcome can and should be achieved alongside strong commitment to curb human rights violations, address issues of child labour, overcome gender-based violence, redress the abuse of migrant labour, improve mining safety, achieve sustainable wages, provide decent housing and cater to the health needs of miners and their families;

(d) ***Extend*** significant support to Artisanal and Small-scale Miners (ASM) in recognition of the important role they play as legitimate actors in creating employment, rolling back household poverty, enhancing women's and youth participation, generating backward and forward linkages and overcoming underdevelopment in rural communities. Also, Governments should strive to address the technical equipment, skills and financial challenges faced by ASM, as an integral part of a development-oriented mining policy. This should be done in the knowledge that their full integration into rural development programmes, including their formalization as may be appropriate, could be a potent strategy for raising the living standards of communities, improving gender equity, encouraging youth participation, and promoting sustainable local economies;

(e) ***Enhance*** their knowledge of the continent's geological endowment as a good thing in itself but also with a view to employing that knowledge as a key tool for strengthening the continent's bargaining power with other international actors interested in Africa's mineral wealth. Better knowledge of Africa's mineral wealth will also allow Governments to experiment more effectively with innovative mechanisms of allocating exploration ground such as auctioning, and entering into better informed and more optimal "resources for infrastructure" deals. To this end, careful consideration should be given to the strategic importance of a stable funding mechanism that would support the geological mapping of the continent on an ongoing basis;

(f) **Urgently** invest in tackling the institutional and human capacity challenges faced by stakeholders along the mineral value chain, doing so by strengthening existing institutions and, as necessary, building new, specialist ones. This will make for the emergence of a well-capacitated African minerals sector, anchored in a clear developmental vision, and able to negotiate beneficial contracts and contribute to innovation and development of a knowledge-based African minerals sector. In this connection, approval, by the continent's political leadership for the creation of the African Minerals Development Centre (AMDC), to contribute to an education programme for the mining sector is to be saluted as a sign of the collective commitment of African countries to address issues of capacity and related flaws in Africa's mining sector. The establishment of the African Mineral Skills Initiative and the proposal to launch the African Mineral Geoscience Initiative under the overall auspices of the AMDC, are all contributions to building general, technical, and strategic capacity for individuals and institutions in the mining sector, which all stakeholders should embrace and own;

(g) **Commit** themselves to achieving sustainable mineral exploitation that addresses environmental challenges in the sector for the sake of inter- and intra-generational equity. To this end, African Governments should provide and enforce a strong environmental management framework for all actors in the mining sector, while mining companies should proactively put in place mechanisms for compliance and going beyond the dictates of policy, as part of their own environmental stewardship; and

(h) **Break** with past experience by assiduously implementing the AMV in order to achieve the much-needed paradigm shift in the African mining sector that has eluded much of the continent for decades. To this end, efforts should be made to popularize the Vision across Africa among a multiplicity of stakeholders who could partner with Governments to advance its goals towards full realization.

II. Land and Africa's Development Future

5. Africa has abundant agricultural land that can be harnessed to address its food security concerns and serve as a basis for a model of structural transformation to boost employment, income and livelihoods. The continent holds about 60 per cent of the world's total non-cultivated land area that is suitable for cropping and which lies in non-forested and non-protected areas with low population density. Land abundance on the continent has contributed to the recent upsurge of local and, in particular, international interest and investments in African land.

6. In the face of the upsurge in investor interest, Governments have come under considerable pressure to allocate arable lands for a variety of purposes, including export-oriented crop production aimed at satisfying the foreign markets from which many of the investors originate. In seeking to respond to these pressures, African Governments, traditional leaders and private citizens involved in domestic and foreign large-scale investments in land face two immediate challenges. The first is to identify and quantify the land available and unutilized, under both conventional and traditional land-use systems. The second is the inadequate recognition of customary-based land tenure rights and claims by statutory land laws and administration systems which results in the rendering of the land rights and livelihoods of local communities precarious in the face of large scale land acquisitions and the accompanying increase in land values.

7. While increased domestic and foreign investments in African agricultural lands comes with its challenges, it also offers the continent an opportunity to address its yield gap and enhance agricultural technology, infrastructure, mechanization, market access and value-adding possibilities that can play an important role in boosting productivity and output. Although African countries have made great progress in meeting their commitment under the 2003 Maputo Declaration to

increase public spending to agriculture, it is also well-recognized that the 10 per cent allocation is not adequate to transform a sector after years of neglect. In this regard, partnerships with local and foreign investors in agricultural lands could provide much needed complementary resources to the sector over and above what Governments are able to offer.

Recommendations

8. In the light of the challenges and opportunities associated with the increased domestic and external pressure on their land resources, African countries are called upon to:

(a) ***Commit*** to fast tracking the implementation of the African Union Declaration on Land Issues and Challenges in Africa in accordance with the Framework and Guidelines on Land Policy in Africa so as to realize the reform of land policies, laws, and administration systems at the national level. In so doing, the prospects of successfully addressing the challenges of land ownership, use and management across the continent would be enhanced;

(b) ***Identify*** established local land rights, interests and claims, and clearly determine how much land is available and where it is located before engaging in large-scale land allocations. The process should take into account, land that is under traditional systems of agriculture, including shifting cultivation, fallow farming and pastoral grazing. Mapping and documenting land rights, interests and claims of communities and individuals should go beyond ownership rights and include user rights to land and related resources. Spatially referenced information on land will provide an evidence base that will be indispensable to planning at the local, meso, and national levels, and will also help overcome unfair dispossession or stripping of the land rights of communities;

(c) ***Explore*** innovative and inclusive large-scale land-based investment (LSLBI) models that empower smallholder farmers and communities and offer provisions to protect national food security, thereby achieving equitable agricultural and rural transformation in Africa. To this end, LSLBIs should adhere to the principles of the Comprehensive African Agriculture Development Programme (CAADP) which enjoin African Governments and stakeholders to reverse unhelpful and inconsistent macro and sectoral policies that are biased against agriculture in general, and smallholder farmers in particular;

(d) ***Adopt*** appropriate policy and legislative frameworks that articulate modalities for access to land by both domestic and foreign investors and recognize the land rights of local communities and investors in order to facilitate and secure profitable and equitable LSLBIs. Optimal structuring of land deals requires evidence-based, transparent and consultative negotiations on the main elements. Some of the key elements that must be carefully considered are: optimal land size and land lease period; potential costs and benefits and how they are to be shared and distributed; terms for further allocations; basis and terms of compensation; protection of well-being of smallholder farmers, including the women among them; community participation and a sense of ownership; provisions for withholding production for domestic use to address food and energy security; fiscal and other provisions to minimize land speculation; and regulatory mechanisms for enforcement;

(e) ***Strengthen*** property rights, especially those falling under customary jurisdictions that serve as the principal regime under which most of Africa's abundant land lies. In this regard, there is an urgent need to fast track implementation of the African Union (AU) Declaration on Land Issues and Challenges in Africa, in accordance with the Framework and Guidelines on Land Policy in Africa that aims to reform land policies, laws and administration systems, with a view to entrenching the land rights of local communities and facilitating the security of all bundles of land rights, interests and claims, especially for women and other vulnerable groups;

(f) **Ensure**, in partnership with other stakeholders, that LSLBIs give due consideration to environmental sustainability and climate change concerns. In addition, make effectively enforced and properly monitored environmental stewardship a central component of contractual arrangements with land investors;

(g) **Strengthen** institutions that govern land rights, along with those that facilitate investments and oversee the regulatory environment, to ensure that land deals attain their economic, social, gender, inter-generational, and environmental goals. Well-functioning land markets that facilitate transparent land transfers are critical to creating an enabling environment for investments by large-scale investors and smallholder producers alike. Not only is this essential to reducing the yield gap, but also to providing the basis for a structural economic transformation that allows the rural population to move into non-farm employment as appropriate;

(h) **Mobilize** financial and human resource capacity support for the implementation of the Nairobi Action Plan on LSLBIs in order to enhance the governance of LSLBIs in Africa. Resources are urgently needed to ensure that African Governments and stakeholders validate these principles to create the sense of ownership that is critical to implementation. Support is also needed for capacity development and monitoring for responsive LSLBIs; and

(i) **Engage** the Land Policy Initiative (LPI) as a possible institutional resource for the implementation of the AU Declaration on Land and the Nairobi Action Plan on LSLBIs. This would mean that all the activities contained in the LPI strategic plan, including capacity-building, would have to be adequately mainstreamed at the national, regional, and continental levels.

III. Harnessing Fishery Resources

9. Africa's fisheries and aquaculture endowments are a renewable natural capital with large socio-economic, nutritional and ecosystem benefits. This capital offers the continent a golden opportunity to continue to reap benefits from these resources over a long period of time. Fish has excellent nutritional value, providing high quality protein and a wide variety of vitamins and minerals. Besides, exploitation of fishery resources creates revenue for Government and economic opportunities in fishing communities (including the most vulnerable and marginalized), leads to diversification of exports and generates shared wealth for a nation. To sustain the benefits provided by fishery resources, they must be used and managed in line with socio-economic goals and within the means of society and limits of ecosystems. Fishery resources, therefore, will be a strategic asset for achieving sustainable economic transformation of the African continent and the well-being of its peoples if adequate policy reforms and well-targeted investments along the fishery value chains are carried out.

10. The magnitude of annual catches of fish in African marine ecosystems, inland waters and fish farms delivers gross annual revenues of close to \$5 billion and directly supports the jobs and livelihoods of about 4 million people. The fisheries sector, therefore, makes a valuable contribution to the GDP and total exports earnings of many African countries, especially the coastal ones. However, the contribution of the continent to the world capture production is still low in marine waters, in part, because of important supply-side challenges facing African countries in spite of the huge potential it has. Per capita fish production is half the global average. It is expected to decline further, leading to diminishing contribution to food security and the trade balance. About 1 million tons of fish are lost due to overfishing, which reduces potential incomes and undermines the productivity of Africa's marine ecosystems. Overall, the main fish stocks are fully exploited and are, therefore, producing catches that have reached, or are very close to, their maximum limit, with limited expected space for further expansion given current practices. Catches are likely to decrease if remedial action is not taken to reduce overfishing. The fact that the resource base is shrinking and

that African fisheries and aquaculture are not living up to their economic potential is an issue that needs to be addressed urgently.

11. Aquaculture is becoming the main source of supply of fish products worldwide. Africa currently accounts for only a marginal proportion of global aquaculture fish production although it is also the region that is enjoying the fastest growth. Aquaculture has the potential to contribute to meeting animal protein requirements at a time of rapid population growth worldwide. It should thus be carried out such that the sector: adds to the physical quantity of fish available for human consumption; produces economic value; supports community and social development; operates in an environmentally-sustainable way; and respects the limits set by nature. This requires consistent effort to upgrade the sector's operations from the largely subsistence practices to cage culture. Net revenue from marine fishing is estimated at \$4.2 billion a year if the fisheries sector is effectively governed. Moreover, Africa could increase its "fish wealth" from the current \$2 billion to \$30 billion within 25 years.

12. Addressing the challenges of reversing current systems of exploitation, restoring depleted stocks, maintaining biodiversity and optimizing economic and biological efficiency in fisheries production, calls for a complete paradigm shift in perception. Indeed, fishery resources should be recognized as "capital assets" from which wealth could be profitably and sustainably derived and productivity enhanced. African countries could use tax and expenditure policies as leverage for better managing the continent's fishery resources. African countries must also reclaim their maritime territory, expand aquaculture and promote industrialization of fishery value chains in processing and marketing. This will entail accelerating the transition from subsistence to integrated and inclusive aquaculture-agriculture farming systems and commercial fishing. Curbing illegal unreported and unregulated fishing (IUU) is key to capturing or recapturing regional and global markets, optimizing rents and other socio-economic benefits and the sustainable management of the resource base.

Recommendations

13. Cognizant of the opportunities, potentialities and challenges involved in Africa's efforts to harnesses its fishery resources for its economic transformation and sustainable development, the countries of the continent should strive to:

(a) ***Promote*** national strategies that focus on the many facets of policy and governance, especially in relation to employment, poverty alleviation, gender equality, youth participation, and environmental sustainability in the fisheries sector. This would require tackling specific challenges in these policy areas at the national and regional levels;

(b) ***Implement*** the first set of priority actions of the NEPAD Action Plan for the Development of African Fisheries and Aquaculture, with close attention to inland fisheries, coastal and marine fisheries and aquaculture at the national and regional economic community levels, taking ongoing initiatives and development priorities into account;

(c) ***Pursue*** sustainable financing of fisheries governance, through appropriate taxation and fees, greater transparency of revenue management and increased reinvestment of fisheries revenue;

(d) ***Adopt*** policies that optimize nutritional and economic benefits from the regional and global fisheries trade, while reducing overfishing and post-harvest catch losses to more benign levels, and rebuilding overexploited resources;

(e) **Align** existing policy, legal and regulatory frameworks to adequately support the implementation of fisheries and aquaculture sector action plans such as the Conference of African Ministers of Fisheries and Aquaculture and NEPAD Action Plan for the Development of African Fisheries and Aquaculture;

(f) **Promote** the participation of small- and medium-sized enterprises, including artisanal fishing, in the fishery and aquaculture sectors while strengthening the nexus between fisheries and aquaculture resource-based industrialization within the framework of the African Union Plan of Action for the Accelerated Industrial Development of Africa;

(g) **Mainstream** the fisheries sector into the existing sector-specific package of governance instruments and develop, accordingly, the required capacities at all levels so as to enable African countries to effectively domesticate these mechanisms;

(h) **Develop** policy monitoring and control systems in combination with legal and judicial systems that could be internally agreed to curb IUU fishing, and fast track the implementation of the Food and Agricultural Organization (FAO)-AU Plan of Action on IUU as a possible first step in that direction;

(i) **Strengthen** the transformative capacities and bargaining power of national and regional decision-making bodies by lifting impending constraints on strategic management, research and development, and financial and technical resources;

(j) **Promote** peer learning and knowledge-sharing within Africa and between Africa and the rest of the world on efficient, sustainable and equitable fisheries and aquaculture management and governance systems;

(k) **Support** strengthened collaboration between regional fisheries bodies and regional economic communities in regional fisheries governance, as an integral part of the African Union initiative on policy framework and mechanism for the fisheries sector; and

(l) **Include** fisheries and aquaculture in the climate change adaptation plans of African countries.

IV. Forest Resources

14. Africa is endowed with enormous and diverse natural and plantation forest resources that cover 675 million hectares or 23 per cent of the land area of the continent. The continent accounts for 17 per cent of the world's forest cover and has a higher per capita forest cover of 0.8ha/person compared to the global average of 0.6ha/person. This forest base supports the livelihoods of about 60 million people and contributes to about 6 per cent of the gross national product of African countries. This great wealth of forest resources is currently exploited and traded mostly in its raw form. Where initiatives have been made to add value, it is still at the lower end of the chain, compared to other continents. This is partly because of poor forest technologies and inadequate or limited processing capacity and skills. In fact, Africa's processed forest products account for only 2 to 3 per cent of the global value added trade. Continuing exploitation of forests in this manner is unsustainable since it is wasteful and denies countries revenue and employment. Exporting Africa's raw round wood or semi-processed products is tantamount to exporting jobs from the continent at a time when massive unemployment, especially among the youth, is a big challenge.

15. African forests are home to many valuable non-wood forest products, such as Gum Arabic, some of which are of very high value in international trade and whose production is dominated by the continent. Nonetheless, these non-wood forest products are still exported in semi-processed forms and fetch little by way of earnings, denying the continent the full value of the processed products. African forests provide a diversity of services for agricultural production, ecotourism and hydropower generation. Forests stabilize agricultural production by reducing soil erosion, supporting downstream flood control and facilitating water reserves for irrigation. They are also critical to bee-keeping activities. However, these important services provided by forests are often not reflected in national accounting systems or their value is wrongly apportioned to other areas of the economy.

16. Sustainable management of Africa's forest resources with a developmental vision comes up against a range of policy, legal, regulatory, economic, governance, equity, knowledge, institutional and environmental constraints. Overcoming these constraints is key to attaining inter-sectoral linkages between agriculture, forest, industries, energy, water, and human settlement in Africa. If the sector's contribution to national development is to be achieved and the accelerated depletion of the continent's forest resources stemmed and reversed, weaknesses in forest governance and management must be addressed, forest technologies improved and the illegal exploitation of forests and trade in forest products tackled. Strategies for significantly increasing the level of local value addition in the forest sector speak to the need to end the untenable situation in which the continent continues to export forest products in their raw form.

17. Sustainable forest management must be based on comprehensive knowledge of forest resources available. It is thus vital for African Governments to invest in the expansion and quality upgrade of forest education and research. Recognizing the central role and place of indigenous knowledge is also critical and could serve, among other strategies, to strengthen the participation of communities in sustainable forest management. Furthermore, it is important to mobilize the participation of other stakeholders such as civil society and the private sector in the management of the continent's forest resources. Also, women play a vital role in the development of the forest sector. This includes tapping into major new and emerging forest-based opportunities under green growth development, reaping potential benefits from reduction in deforestation and forest degradation emissions, and enhancement of forest carbon stocks.

Recommendations

18. ***African countries should aim to:***

(a) ***Implement*** the non-legally-binding instruments on all types of forests and the Ministerial Declaration of the High-Level segment of the Ninth Session of the United Nations Forum on Forests on the occasion of the launch of the International Year of Forests;

(b) ***Review*** and, as appropriate, reform national policies and legislation, embrace new initiatives in forest management such as forest certification and put in place strong regional and continental frameworks to effectively stamp out illegal exploitation and trade of forest products to ensure sustainable forest management;

(c) ***Strengthen*** human and institutional capacity in forest management and governance at different levels - community, national and regional, including the private sector and non-government organizations - in order to achieve sustainable forest management;

(d) ***Develop*** comprehensive and participatory national forest plans with multi-stakeholder involvement, and formulate forest level management plans and ensure their implementation;

(e) **Establish** and apply in a transparent manner, Criteria and Indicators (C&I) for Sustainable Forest Management and ensuring that all types of forests are sustainably managed irrespective of tenure and ownership. In this connection, efforts should also be redoubled in reforestation, restoration and afforestation in order to halt and reverse forest degradation and overcome deforestation;

(f) **Promote** intra-African trade in wood and other forest products as part of an overall strategy of regional development;

(g) **Create** an enabling environment to encourage private sector investment in forest plantation and tree planting and processing in order to reduce pressures for the over-exploitation of natural forests, increase revenue flows, and achieve value addition of forest products;

(h) **Strengthen** the capacity of forest education institutions to develop appropriate modules and research institutions to conduct appropriate research relevant to African conditions and development aspirations, and ensure that sustainable forest management in Africa is driven by best scientific knowledge;

(i) **Transform** the forest sector industry from its present role as a producer of round woods and other basic processed products into one characterized by a diversified range of valued added products that encompass secondary and tertiary processing, and increase the contribution of the forest sector to the socio-economic transformation of African economies;

(j) **Review** and, as necessary, reformulate existing forest policies to reflect cross sector linkages and harmonize policies for the holistic management of forest resources in light of emerging competing users of forest land;

(k) **Develop** policy and legal frameworks to embrace and harness opportunities offered by such new initiatives as REDD+ and the increasing worldwide quest for green growth, and enable countries, communities, and other stakeholders to tap available finances for sustainable forest management and human livelihoods;

(l) **Consider** sustainable forest management in Regional Economic Communities development programmes, strengthen collaboration and cooperation between countries in forest management especially in education, research and information exchange, fighting illicit timber and non-timber forest product trade and negotiating with one voice on matters of global concern;

(m) **Promote** the use of affordable and clean alternative sources of energy; and

(n) **Reinvest** a significant proportion of revenues derived from such sources as forest fees into the crucial task of conservation and renewal.