

# 11<sup>th</sup> Annual General Meeting of the Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development (IGF)

Sustainable Mining: Policy options and partnerships in Agenda 2063

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# Drivers for Change



# Changing In Africa and Global Context

## ➤ Demographic Dividend

Africa will enjoy a demographic competitive advantage of young, energetic and increasingly educated workers to power the continent's economic transformation. (15 ML/Yr.)

- 2010 - 42% of population younger than 14 years old
- 2050- Home to 20% the planet's young people.
- 2050- The world's largest workforce of 1,2 billion.



# Changing In Africa and Global Context



## ➤ New Partnerships

- Emergence of new international alliances and in general the changing of universal context of globalization and revolution in information technology
- 
- involvement of these new partners in Africa impacts diverse sectors, such as infrastructure, agriculture, and finance



# Investment In Africa: Opportunities

## ➤ Resource Endowment

- 30% of world's Mineral Reserves
- 17 kinds of mineral reserves in the world in the first place.
- 10% of world's Oil Reserves
- 8% of world's Natural Gas
- Annual flow of (FDI) into Africa increased from \$9 billion in 2000 to \$62 billion in 2008

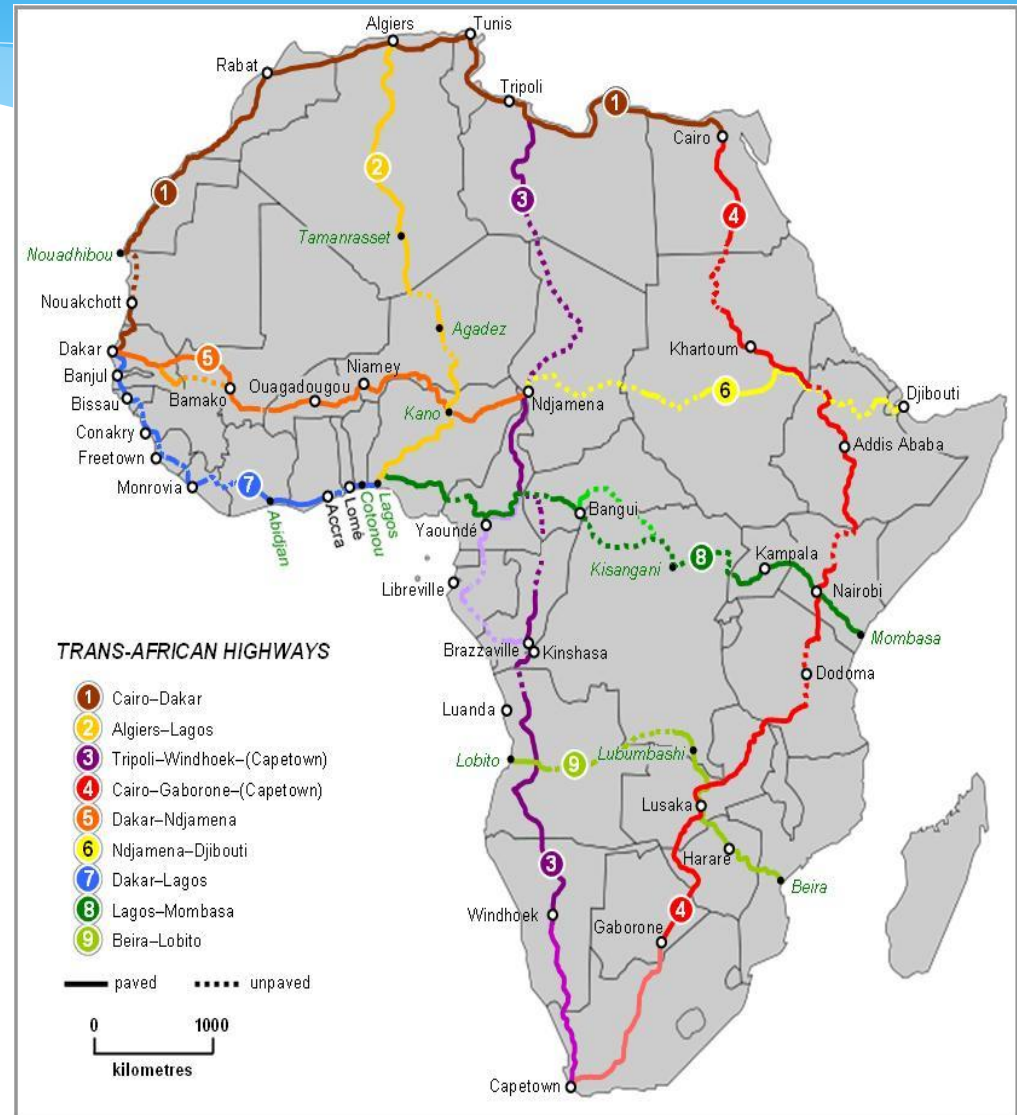




# Investment In Africa: Opportunities

## ➤ Infrastructure

- \$93-billion is needed annually over the next decade to overhaul sub-Saharan African infrastructure.
- \$60-billion of that is needed for entirely new infrastructure
- \$30-billion for the maintenance of existing infrastructure.





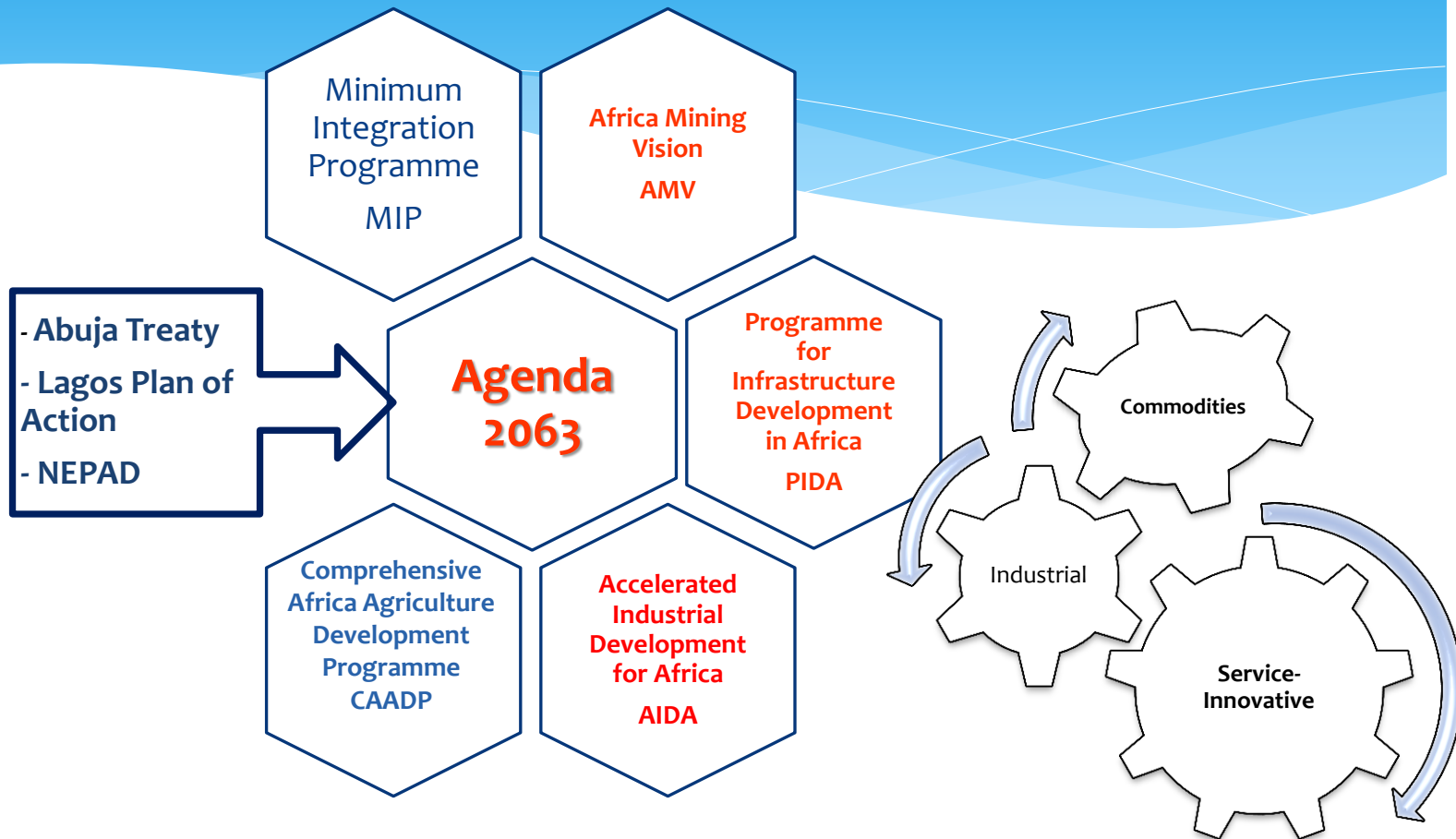
# Aspirations for Agenda 2063

- Africa shall be a prosperous continent, with the means and resources to drive its own development, with sustainable and long-term stewardship of its resources and where:
- Africa's collective GDP will be proportional to her share of the world's population and natural resource endowments;
- Economies are structurally transformed to create shared growth, decent jobs and economic opportunities for all; and
- Africa's natural endowments, environment and ecosystems, including its wildlife and wild lands are healthy, valued and protected, with climate resilient economies and communities.

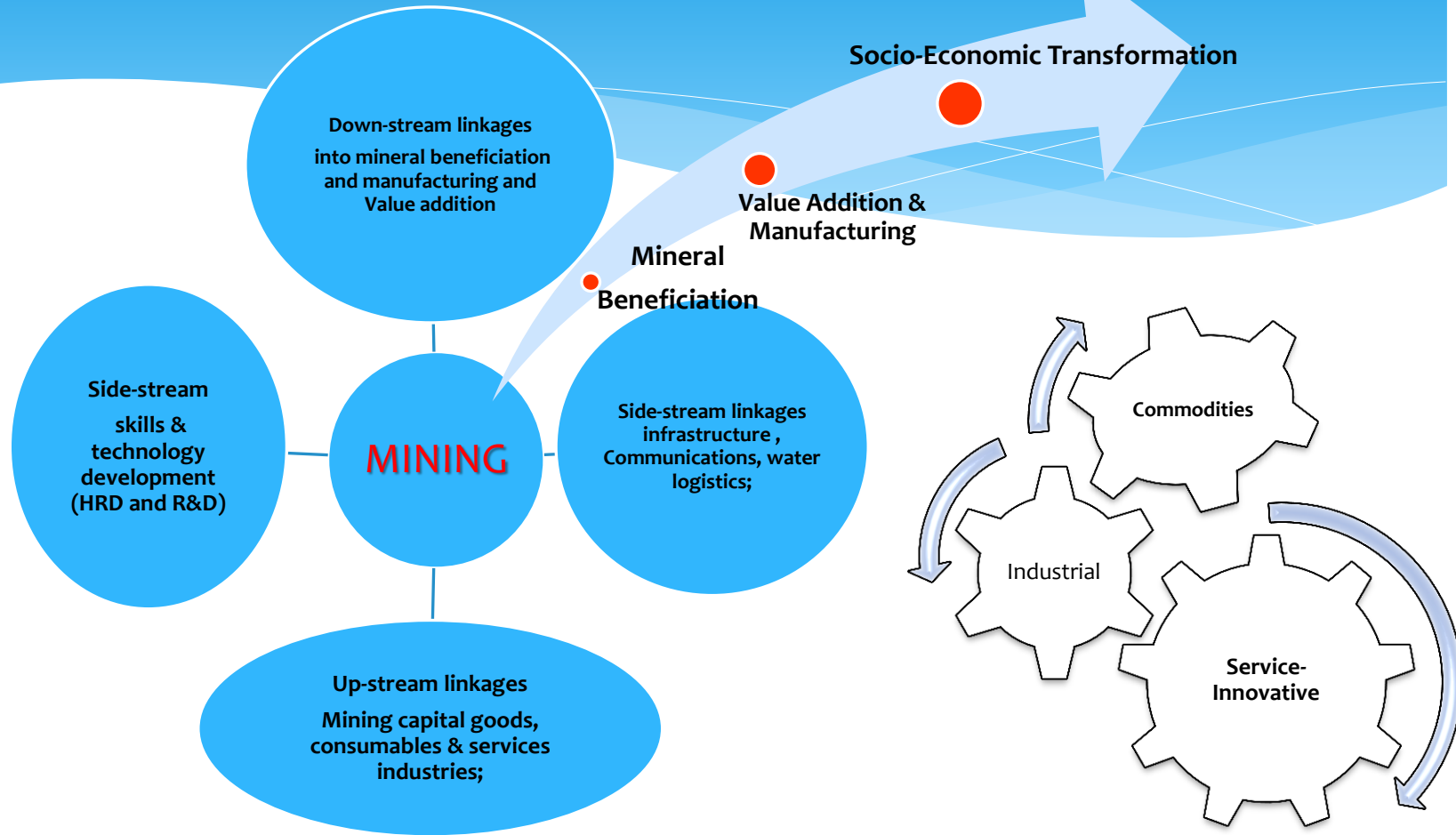




# Building on Past Experience



# Fueling Structural Transformation



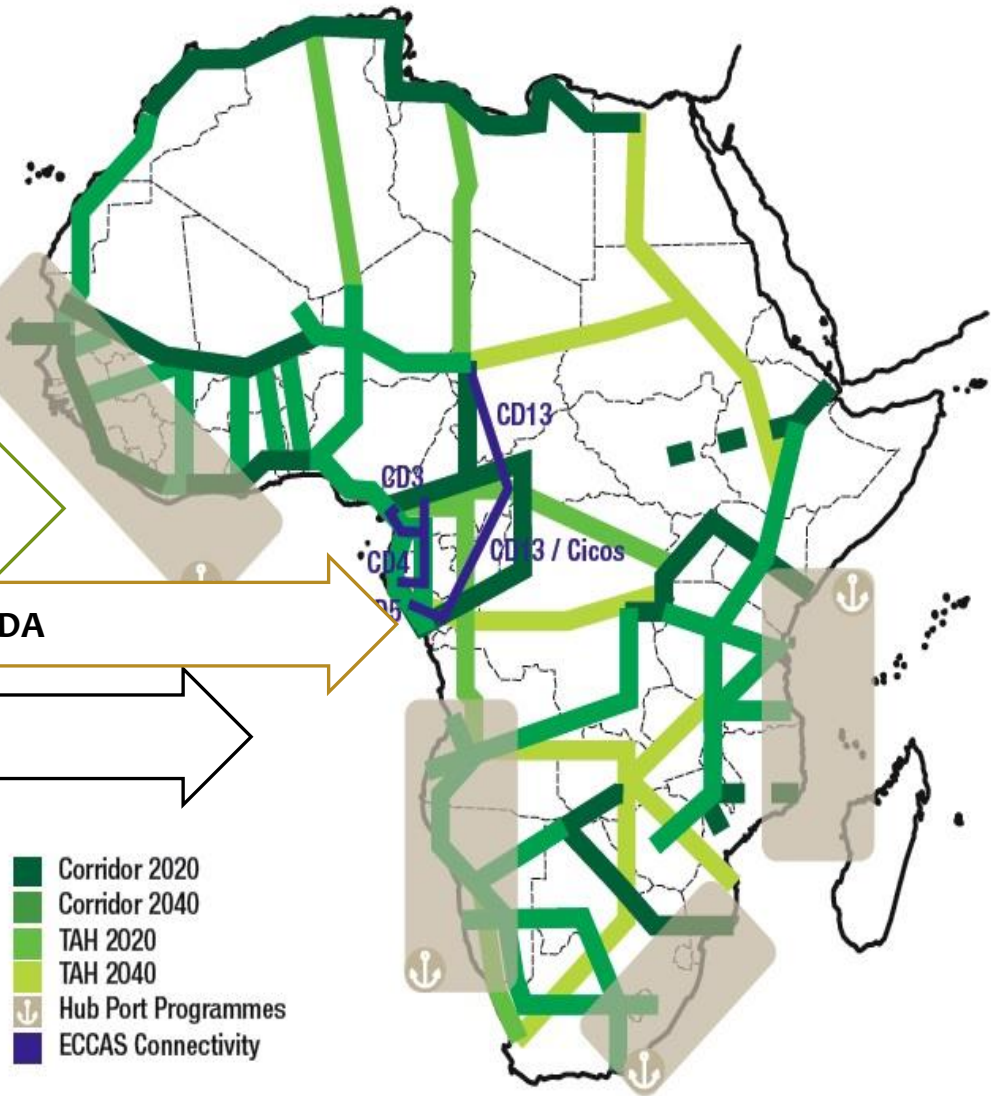
# PIDA Connecting Africa

Transport programme of PIDA

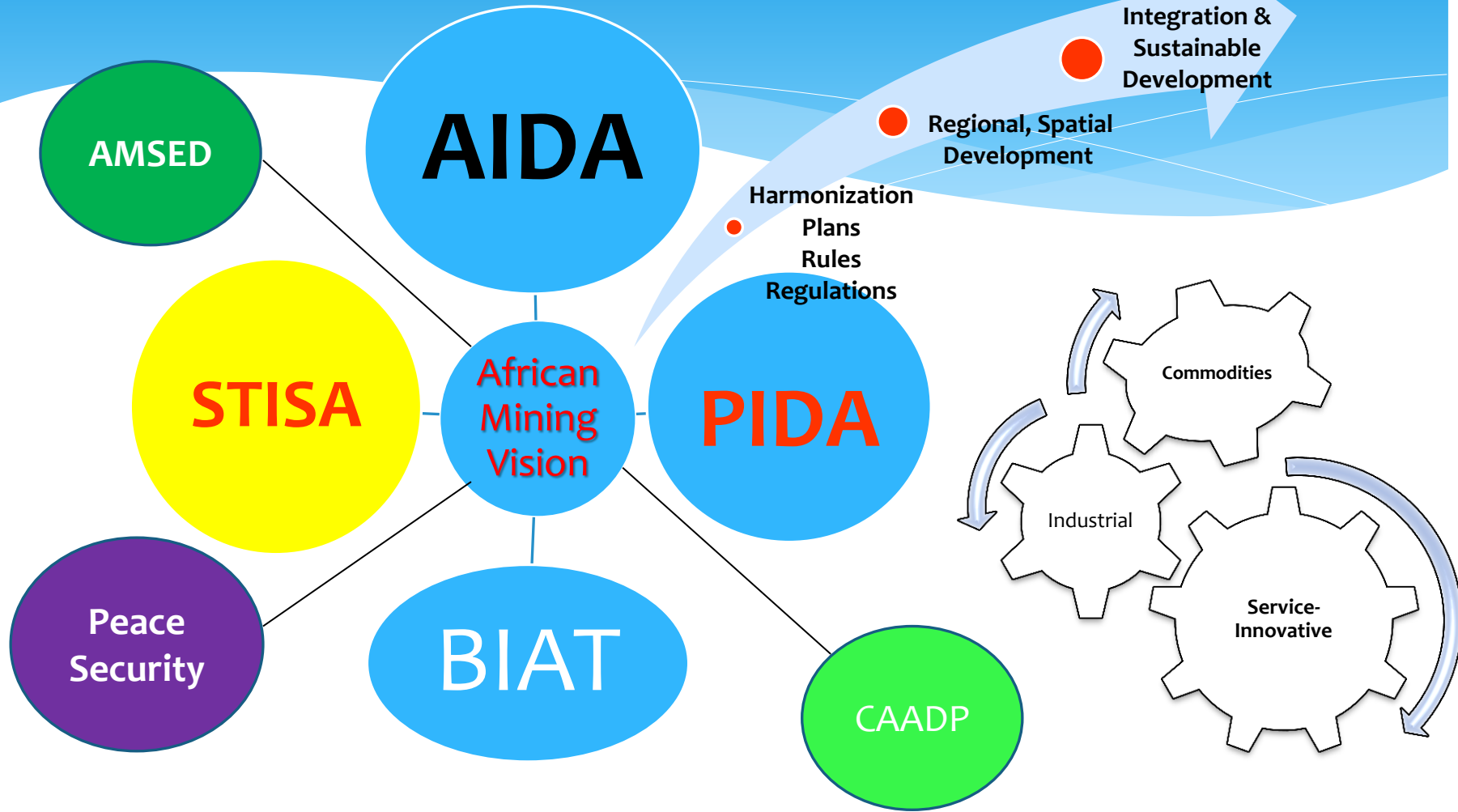
Energy Infrastructure Programme of PIDA

Energy Infrastructure Programme of PIDA

Cross Border Water Connectivity



# Fueling Structural Transformation



# Realization of AMV: Challenges

## Policy Issues



- Light volume of productive activities
- Low level of capitalization
- Wide gap between public & private Investment
- Limited number financing instruments
- Poorly integrated regionally
- Poorly integrated globally

## Technological Issues



- Low investments in R&D
- Low enrollments in technical studies
- Lack of innovation and technology management systems
- Lack of institutional mechanisms to facilitate transfer of technology
- Limited absorption capacities, etc.





# Realization of AMV: Challenges

## FDI Issues



- Weak linkages between foreign and local enterprises
- Lack of infrastructure and skilled labour
- lack of a vibrant domestic private sector
- Technology

## Capacity Issues



- Low Skilled labors
- Challenges of compliance with access conditions
- Challenges associated with domestic absorption capacities



# Agenda 2063-AMV: Strategic Priorities

- **Enhance domestic resource mobilization to boost public investments in infrastructure, particularly in energy and transport.**
  - Prevent tax evasion and the Illicit Financial Flows of capital across borders
  - Ensure that multinational companies do not shift profits across borders
  - Enhance management of natural resources
  
- **Leverage Africa's potentials and capacities, Complement this potential with mutually-beneficial strategic interdependencies (=international cooperation)**
  - Intensifying development financing;
  - Establishing and improving mechanisms for technology transfer;
  - Enhancing human resource development and institutional capacity building; and
  - Strengthening South-South– North cooperation



***“Increase the level of investment flows into mining and infrastructure projects to support of broad socio-economic development “ (AMV)***

# Agenda 2063-AMV: Strategic Priorities

- Develop structures for planning, financing and development of regional infrastructural projects that support cross border and regional linkage
- Facilitate and boost cross-border and regional trade and investments
- Embark on development corridor scoping studies to ascertain their economic viability
- Establish capacity building programmes in project preparation, valuation, negotiation, structuring and management
- Promote the establishment of sub-regional capital markets to mobilize regional capital to finance regional projects and programmes

***“Increase the level of investment flows into mining and infrastructure projects to support of broad socio-economic development “ (AMV)***



# Environmental Priority

## ➤ AGENDA 2063

"A global strategy to optimize use of Africa's resources for the benefits of all African

## ➤ AMV

"transparent, equitable and optimal exploitation of [Africa's] mineral resources to underpin broad-based sustainable growth and socio-economic development"

"Fostering sustainable development principles based on environmentally and socially responsible mining, which is safe and includes communities and all other stakeholders"



# Agenda 2063-AMV: Action Priorities

## Strengthen Environmental and social practice in African mining countries

- Strengthen skills, standards, and knowledge of state institutions for effective environmental management
- Mainstream the principles of impact assessments including Strategic, Environmental, Social, Human Rights, and Health into national mining policies, laws, and regulations in African Mining countries.
- Develop and implement guidelines for impacts and benefits agreements with communities



***“ To create a mining sector that is environmentally friendly, socially responsible and appreciated by all stakeholders and surrounding communities” (AMV)***





# Agenda 2063-AMV: Action Priorities

## Strengthen Environmental and social practice in African mining countries

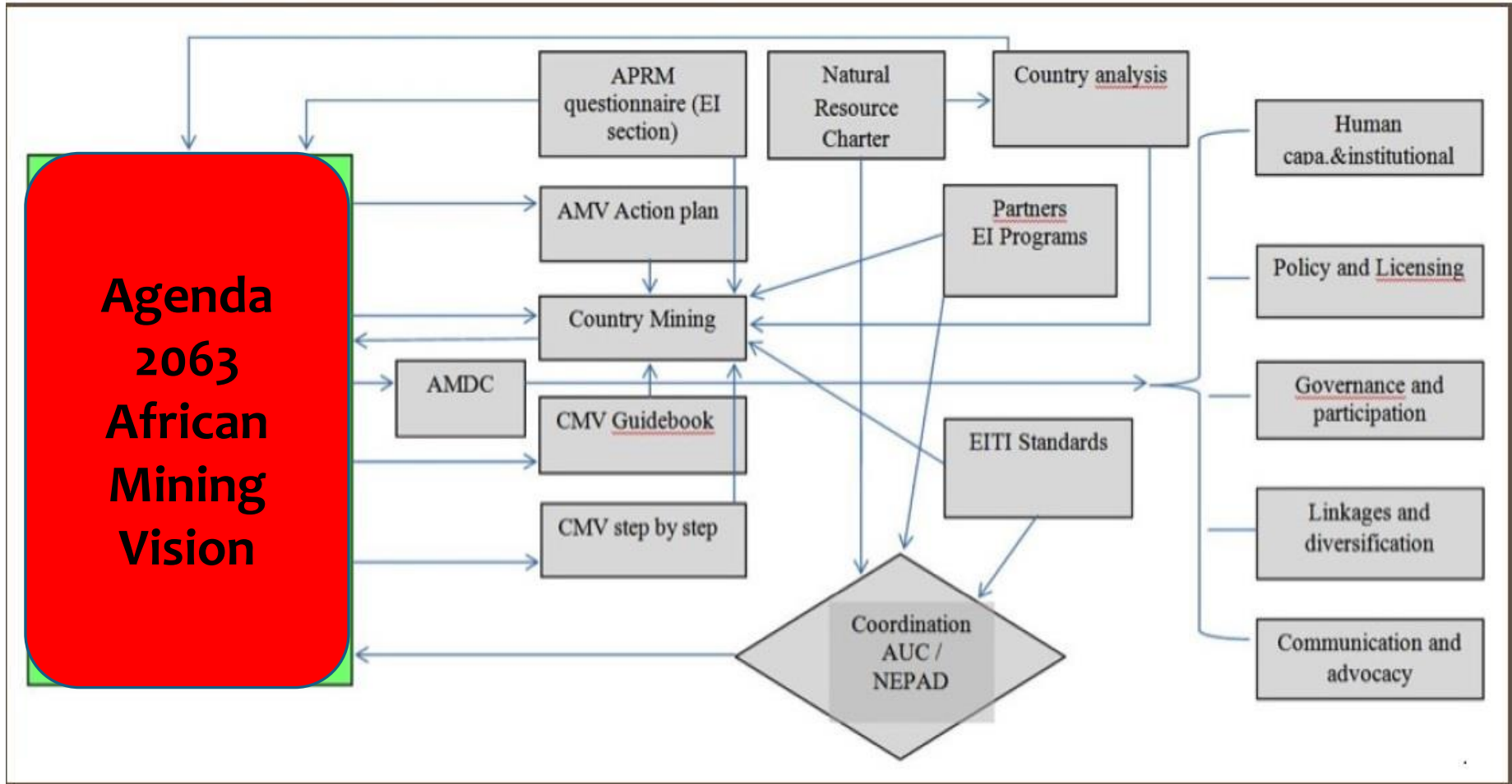
- Develop a sustainable environmental, social and health and safety strategy to reduce or eliminate the adverse impacts of ASM
- Establish and monitor implementation of environmental and social funds as part of mandatory requirements for continued mining operations in Member States
- Develop guidelines for grievance, dispute and conflict resolution, including the establishment of the office of an Ombudsman



***“ To create a mining sector that is environmentally friendly, socially responsible and appreciated by all stakeholders and surrounding communities” (AMV)***



# Realization of AMV: What Tools?



# Thank you

For further information about Agenda 2063 please visit: [www.au.int](http://www.au.int)



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Perspective