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**Africa Union Frameworks for Natural  
Resource Governance**

By

**Mr. Babajide Sodipo**

Regional Trade Adviser, African Union Commission

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## **Speaking Notes “African Frameworks for Natural Resource Governance” – Global Commodities Forum 2014.**

### **The Context**

- Africa faces an imperative for structural transformation. This structural transformation is needed to ensure economic growth and development, which will create the sustainable jobs that, will improve the well being of Africans.
- This involves moving from a cycle of commodity export dependence to economies based on industrialization.
- That transformation is dependent on the effective management and utilization of African natural resources.
- Traditionally and historically, ownership of land in Africa is seen as communal – land and its resources are owned by the community and is used for the welfare of the community. There is therefore a cultural and historical approach of communality towards natural resources.
- Africa governments seek to use their resources towards 1) financing their economic development and growth; 2) to serve as the bed rock or foundation for their industrialization and economic transformation towards jobs creation.
- With the African demographic bulge, and the need to cater for the hundred of millions of unemployed African youth – these pressures can only grow
- African governments do not have the resources and abilities to fully exploit and maximize Africa’s natural resources. It needs private investment, private capital, technology, know how as well as the entrepreneurial abilities of the private sector.
- And in most cases, the private sector are the custodians and stewards of these resources. The private sector are joint partners with African governments for the management and utilization of Africa’s natural resources for development.
- This is therefore the imperative for the improved governance of Africa’s natural resources

### **The Response**

- Africa Mining Vision: “Transparent, equitable and optimal exploitation of mineral resources to underpin broad-based sustainable growth and socio-economic development”
- The goal is the effective management of Africa’s natural resources for Africa’s development and structural transformation – not just increased revenues.
- Adopted by AU Heads of State in Feb 2009

- CAMEF 2013 and 2014 in Abidjan: Defined path for Africa's commodity-based industrialisation with more linkages, local processing and value addition

This shared vision will comprise:

- A knowledge-driven African mining sector that catalyses & contributes to the broad-based growth & development of, and is fully integrated into, a single African market through:
  - Down-stream linkages into mineral beneficiation and manufacturing;
  - Up-stream linkages into mining capital goods, consumables & services industries;
  - Side-stream linkages into infrastructure (power, logistics; communications, water) and skills & technology development (HRD and R&D);
  - Mutually beneficial partnerships between the state, the private sector, civil society, local communities and other stakeholders; and
  - A comprehensive knowledge of its mineral endowment.
- A sustainable and well-governed mining sector that effectively garners and deploys resource rents and that is safe, healthy, gender & ethnically inclusive, environmentally friendly, socially responsible and appreciated by surrounding communities;

### **Areas of Intervention**

1. The level/quality of the resource potential data
2. Contracts negotiating capacity:
3. African resources development and governance capacity: - creating African capacity for ongoing auditing, monitoring, regulating and improving resource exploitation regimes and developing the resource sector linkages into the domestic economy – regional and continental value chains.
4. Improving the capacity to manage mineral wealth:
5. Addressing Africa's infrastructure constraints: - A Resource-based Development Strategy is generally severely constrained in many African states by the lack of the requisite infrastructure (especially transport & energy) to realise the natural resources potential.
6. Artisanal and small-scale mining (ASM): - ASM provides 13 to 20 million jobs worldwide while a further 80-100 million depend on it for their livelihoods. In Africa, about 3.7 million are directly engaged in this sub-sector and about 30 million depend on it.

### **The Results**

- Has become the Framework for developing mineral resources in Africa
- Working with the AMDC, ADB, UNDP and UNECA

- Being used by several African countries to reform their own mineral policies, legal and regulatory frameworks and by RECs to harmonize their mineral policy strategies (Mozambique, Ethiopia, Lesotho, Tanzania)

### **Way Forward**

- Coping and coexisting with Partners –t he EU RMI
- Scaling up the implementation and mainstreaming of the AMV
- The operations of the AMDC