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**REPORT OF THE 1ST EXTRAORDINARY SESSION OF THE AU
CONFERENCE OF MINISTERS RESPONSIBLE FOR
MINERAL RESOURCES DEVELOPMENT
ZAMBIA/ZIMBABWE 22 – 26 NOVEMBER 2014**

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**1st Extra-Ordinary Session of the
 3rd AU Conference of Ministers
 Responsible for Mineral
 Resources Development
 Victoria Falls, Republic of Zimbabwe and,
 Livingstone, Republic of Zambia
 25 – 26 November, 2014,**

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Final Report of the Ministers

Introduction

1. The 1st Extraordinary Session of the 3rd AU Conference of Ministers Responsible for Mineral Resources Development (CAMRMRD) was convened, at Ministers level, from 25 to 26 November, 2014 in Victoria Falls, Republic of Zimbabwe and Livingstone, Republic of Zambia. It was co-hosted by Zambia and Zimbabwe and chaired by H.E. Mr. Victor Borges, Minister of Fisheries of the Republic of Mozambique. The key objective of the meeting was to consider the recommendations of the 1st Bureau Meeting of the 3rd CAMRMRD that met in Luanda, Angola on 11 – 13 August, 2014 regarding the institutionalisation and sustainability of the African Minerals Development Centre, (AMDC).

Attendance

2. The following Member States participated in the meeting: Algeria, Angola, Chad, Eritrea, Ethiopia, Ghana, Kenya, Lesotho, Mali, Mozambique, Namibia, Rwanda, South Africa, Sudan, Swaziland, Zambia and Zimbabwe. The following Regional Economic Communities, partner organisations, non-African States and NGOs also participated: COMESA, EAC, ECOWAS, IGAD, UNECA/AMDC, UNDP, Canadian Government, Third World Network Africa (TWN), EU Delegation and Zimbabwean Chamber of Mines. The full list of participants is attached as Annex I.

PROCEEDINGS

Opening of the Meeting

Welcoming remarks by the Minister of State for Provincial Affairs, Zambia

3. In his introductory speech, Hon. Cain Mathema, Minister of State for Provincial Affairs of Zambia, welcomed all the delegations that took time to come and deliberate on issues related to the mining sector in Africa. He expressed confidence that the exchange of views would greatly assist in developing the mining sector. He added that, although the continent itself is not aware of the amount of minerals it is endowed with, this information is better known by other continents.

4. He called on the Conference to focus on how the mining sector can assist in poverty alleviation, in helping communities, in industrializing the continent and in creating value addition, in promoting employment and in developing the agricultural and manufacturing sectors. He also encouraged countries to train their own scientists and researchers and wished fruitful deliberations to the meeting.

Remarks by the Minister of Mines, Zimbabwe

5. In his remarks, Hon. W.K. Chidakwa, Minister of Mines of Zimbabwe, expressed the great honour accorded to Zimbabwe to co-host the 1st Extra-Ordinary Session of CAMRMRD thus allowing Africans to chart the direction for the continent regarding its much coveted and abundant mineral resources. He recalled the paradox of poverty amidst abundance of resources and hailed the adoption of the AMV in 2009 as a commitment to set Africa on the industrialisation path. He deplored the lack of value addition and beneficiation that continue to see Africa

depending on exportation of cheaply priced raw commodities and import of expensive refined products as one of the key hindrances to social and economic structural transformation of African economies and low job creation and improvement of the peoples' living standards.

6. Hon. Chikandwa called on African countries to strengthen regional cooperation and integration and inter regional synergies in order to improve the continent's competitiveness through inter regional alignment of laws, and fiscal regimes as well as a strong institutional framework among others. He reminded the meeting of the key coordinating role to be played by the AMDC. In this regard, he called on all African countries to rally behind the AMV and the AMDC. He emphasized the need to make a paradigm shift to mark the evidence of the impact of Africa's resources.

Remarks by United Nations Economic Programme (UNDP)

7. Ms. Viola Morgan, UNDP Country Representative, Zambia, recalled that Africa was home to a myriad of resources ranging from minerals to oil and gas, many of them in world class quantity that provide opportunities for shared economic growth, industrial development, employment creation as well as reduction of poverty and inequality levels. She reminded the meeting that the Sustainable Development Agenda (SDA) which sets 17 proposed sustainable development goals to be attained by 2030 and replace the MDGs, provides an opportunity for coordinated and evidence-based advocacy on how the extractives can contribute in transforming economies for inclusive growth that includes women empowerment, job creation, and advance industrialisation..

8. Ms Morgan informed the meeting that UNDP was actively supporting the implementation of the African Mining Vision through global and regional programmes and initiatives on extractive industries which would enable Governments to develop coherent strategies and policies within the extractives industries for structural transformation. She emphasized that UNDP is opportuned to work at country level and as such well placed to support the domestication of the AMV through the implementation of country level projects and programmes aligned to the AMV and its Action Plan.

Remarks by United Nations Economic Commission for Africa(UNECA)

9. On behalf of Dr. Carlos Lopes, the United Nations Under Secretary General and Executive Secretary of ECA, Dr. Fatima Denton, Director of the Special Initiatives Division of UNECA thanked the Government and people of the Republic of Zimbabwe and Zambia for sparing no effort in hosting this important Conference. She highlighted key elements of the Africa Mining Vision and clearly spelled out the various manners through which the AMV's ambitious goals could lead to the prosperity of the people. She pointed out that the AMV lays the foundation for African countries to demand more from their mineral resources and that the rise in commodity prices offers fresh hopes for African leaders and people to cut a new set of deals to ensure that contractual negotiations are commensurate with the value of mineral wealth and that benefits accrue effectively to local communities on the periphery of development.

10. Dr. Denton concluded by reaffirming UNECA's resolve and determination to accompany Africa on its journey to shared prosperity and structural transformation. She also emphasized UNECA's continued strong technical support that will elevate the AMDC to become a world class Centre of Excellence.

Remarks by Commissioner, Trade and Industry African Union Commission

11. The Commissioner, H.E. Mrs. Fatima Haram Acyl, on behalf of the Chairperson of the African Union Commission, Dr. NKOSAZANA DLAMINI-ZUMA, expressed her gratitude to the Governments of Zambia and Zimbabwe for jointly hosting this Conference successfully. She further thanked Member States, RECs and partners for their collaborative and dedicated efforts.

12. H.E. Mrs. Acyl underlined that Africa requires a paradigm shift in line with AU Agenda 2063 and the Post 2015 Sustainable Development Goals in order to benefit from its vast natural resources. She emphasized that local community empowerment through the use of beneficiation and local content is crucial. She reminded the meeting that adopting the AMV is a major step forward but that its implementation at both national and regional level should be given top priority. She also underscored that better management of the mineral resources will play a key role in supporting the AUC's commitment to Silence Guns by 2020.

13. The Commissioner recalled the progress made on the draft Statute of the AMDC and acknowledged that further work is required on the African Centers of Excellence and the financing mechanisms for the Centre.

Remarks by Chair of CAMRMRD

14. In his opening statement, the Chair, Hon. Victor Borges, Minister of Fisheries of the Republic of Mozambique, thanked the Governments of Zambia and Zimbabwe for co-hosting the 1st Extra-ordinary session of the 3rd CAMRMRD and for the excellent facilities provided. He recalled that in order to ensure ownership of AMDC, the 3rd CAMRMRD in Maputo requested AUC to develop an institutional and sustainability framework for the AMDC. He reminded the meeting that the 1st Bureau meeting which was held in Luanda, Angola recommended that the AMDC be established as a specialized agency of the African Union with a degree of flexibility and autonomy and requested that a draft Statute be prepared in accordance with this option.

15. Hon. Borges stated that for Africa to be successful in fostering investment, creating jobs, increasing Government revenue, promoting technology development, beneficiation and building of infrastructure, good governance and macroeconomic stability were key requirements. He emphasized the need to continue protecting rights of local communities. He informed the meeting that the Government of Mozambique is committed, in line with the AMV, to manage its natural resources in a transparent way by reforming tax laws among others and that it has joined the EITI since 2012.

16. In conclusion, he expressed confidence that the discussions will produce good results and meet expectations. He then solemnly declared the meeting open. .

Adoption of the Agenda and Work Programme

17. The agenda and Work Programme were adopted without amendment.

Consideration of the Report of Senior Officials

18. The Rapporteur presented the report of the Senior Officials.

19. Under this item, a short presentation on the African Minerals Geosciences Initiative (AMGI a.k.a A Billion Dollar Map) was made by a representative of the Commission to provide the background and context on AMGI. He then presented the AMGI Consultative Meeting Recommendations

20. The Commission also recalled the three options that were presented to the 1st Bureau Meeting in the institutionalisation of the AMDC as a permanent Structure of AU Member States. The concept on the AU Institutions and a matrix depicting the three different scenarios were also shared with the meeting. The following were the three options presented:

Option 1. African Union Commission Specialized Institution:

21. The meeting was informed that this is an institution or program established under a Department of the African Union Commission to carry out specific responsibilities related to a mandate of a Department in accordance with the rules and regulations of the African Union Commission. The following are examples of specialized Institutions of the African Union:

- i. Inter African Bureau for Animal Resource (IBAR)
- ii. Pan Africa Veterinary Vaccine Center (PANVAC)
- iii. Semi-Arid Food Grain Research and Development (SAFGRAD)
- iv. IPED (Transformed into Watchdog in Africa)
- v. Integrated FOUTA DJALLON Project
- vi. African Rehabilitation Institute(ARI)
- vii. New Partnership for Africa's Development (NEPAD)
- viii. Inter-African Phytosanitary Council (IAPC)
- ix. Pan Africa Tsetse and Trypanosomiasis Eradication Campaign (PATTEC)
- x. International Center for Girls and Women Education in Africa (CIEFFA)

Option 2. African Union Specialized Agency

22. The meeting was informed that this is an independent body established by Member States of the Union outside the managerial and budgetary rules and regulations as well as control of the African Union or the Commission to carry out a specific or specialized but related function of the mandate of the African Union. A specialized agency of the African Union may not be necessarily created by the African Union but it has to be incorporated or affiliated or linked by way of Assembly decision into the African Union system. It is linked with a Department of the Commission or an organ to carry out a specific mandate. The following are examples of existing Specialized agencies of the African Union

- i. Pan-African Telecommunications Union(PATU)
- ii. Pan African Postal Union (PAPU)
- iii. Union of African Railways (UAR)

- iv. African Civil Aviation Commission (AFCAC)
- v. Supreme Council for Sports in Africa
- vi. African Risk Capacity (ARC)
- vii. African Accounting Council

Option 3. African Union Organ:

23. This is an autonomous body specifically established by the African Union Assembly in accordance with Article 5 (2) of the Constitutive Act to carry out a specific mandate. Examples are

- i. African Union Commission (AUC),
- ii. Pan African Parliament (PAP),
- iii. African Court on Human and Peoples' Rights (AfCHPR).
- iv. The African Commission on Human and Peoples' Rights (ACHPR),
- v. African Union Commission on International Law (AUCIL), and
- vi. The Board of Corruption

24. During the discussions that ensued and in considering the Report of the Senior Officials, the Ministers made the following observations:

On AMGI:

- The pilot countries selected by the World Bank do not align with the AU principle of regional representation and diversity of languages;
- Concern was raised on ownership and accessibility of data by Member States;

On Centres of Excellence:

- There is need to avoid duplication between the AMDC and the Natural Resources Centre of the AfDB with respect to non-renewable resources;
- In order to define criteria for the selection of Centres of Excellence, existing studies could be consulted;
- The establishment of PAMUST as a Centre of Excellence is still on-going;

On AMDC:

- The regular budget of AMDC is to be primarily funded by contributions of states parties supplemented by partners' contributions;
- There was insufficient awareness about the AMDC raised by the AUC at national level, particularly among the private sector and civil society;
- The meeting noted the need for African States to develop their own homegrown criteria for governance standards in the extractive sector rather than be subjected to manipulative external transparency initiatives;

- The lack of uniformity of mining codes and harmonization of royalties and other revenues making African countries compete against each other was raised as a very critical issue;
- The meeting expressed the urgency in setting up the AMDC for the realization of the AMV cautioning against delays and requested the Commission to explore ways of fast-tracking the adoption of the AMDC Statute by the relevant Policy Organs ;
- Concern was raised on the slow progress on the establishment of the AMDC within the context of the pressing realities of the mineral development sector;
- The disparity in mining codes among African countries prevents Member States to have common strategies related to mineral sector development;

Consideration of the Draft Statute of the AMDC as A Specialized Agency of the African Union

25. Having considered the Draft Statute establishing the AMDC as a Specialized Agency of the African Union, the Ministers made the following comments:

- Access to markets and control of markets need to be included in the Statute,
- There is a need to develop homegrown minerals governance systems as the current systems are working against African Governments
- In this regard, mutual transparency and accountability on both sides, the investors and the Governments, are essential,

Recommendations

26. The Ministers made the following recommendations:

On the African Minerals Geoscience Initiative (AMGI)

- AMGI must adhere to the AU principle of geographical representation and ensure capacity building in the countries not selected so far;
- The African Union Commission should continue to coordinate efforts to negotiate a programme on AMGI that can be implemented by AU Member States with the support of the World Bank and other institutions in line with the guidance provided in the recommendations contained in the document AMGI Consultative Meeting Recommendations;

On the Institutionalisation of the Africa Minerals Development Centre (AMDC)

- The draft Statute was endorsed with amendment;
- The draft Statute of the AMDC should be forwarded expeditiously to the decision-making process of the African Union for adoption;

- iii. The AMDC should be established as a Specialized Agency of the African Union and its key role will be to ensure that Member States obtain optimal revenues from mineral resources and also that there is mutual transparency and accountability by both mining companies and Governments;
- iv. A study on financing mechanisms should be carried out in order to define assessed contributions from Member States to be determined by the Conference of Parties taking into account all options including the size or share of the mining sector as opposed to GDP;
- v. Through a coordinative mechanism of AMDC, States parties and regional blocks should work towards harmonization of their royalty, taxation and incentive regimes to secure collective bargaining position and ensure that mineral resources transform the lives of African communities;
- vi. There is a need for African States to develop their own homegrown criteria for governance standards in the extractive sector rather than be subjected to manipulative external transparency initiatives;
- vii. The AUC, RECs and Member States should undertake awareness consultations together with mining industry representatives as well as civil society and trade unions on the institutionalization of the AMDC;
- viii. More awareness should be raised on AMV and AMDC;
- ix. The AUC is urged to define a road map for the rapid establishment of the AMDC;
- x. In view of the fact that mining is central to development, the AUC should not limit itself to coordination but also work on technical issues. In this regard, a division of Mineral Resources should be created at the AU Commission under the Department of Trade and Industry.

Concluding Remarks

27. In his closing Remarks the Minister for Mines, Republic of Zimbabwe thanked all the participants and welcomed the outcomes of the meeting. He looked forward to serious engagement in order to implement the decisions reached.

28. In his concluding remarks, the Minister for Mines of Zambia thanked the delegates for the fruitful deliberations and the recommendations reached which are very important for the development of Africa and attainment of social and economic transformation. He further thanked the organisers for preparations and coordination of a fruitful meeting. He finally thanked the Chair of the 3rd CAMRMRD for his good leadership and chairing of the meeting.

29. H. E. the Commissioner for Trade and Industry thanked all participants for the dedication demonstrated in tirelessly advancing continental efforts to manage Africa's mineral resources in a more sustainable and inclusive manner. While acknowledging progress made, she recognized that significant work remained with regard to implementation.

30. The Minister of Fisheries of Mozambique thanked the Ministers for the honour bestowed upon him to chair the meeting and expressed confidence in the success of the way forward. He then declared the Conference officially closed.

2015

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