

Your Excellencies the Ministers here present

Mr. Jonathan Moore, President of the Mining Indaba LLC

CEOs of Chamber of Mines of South Africa and of Namibia

Distinguished delegates from the Mining Fraternity

Ladies and Gentlemen

It is a singular honour for me to participate in this great mining event and to address this august house of eminent persons from the mining fraternity. Allow me to take this opportunity to thank the organizers, our supporters and partners including all those that have been involved in logistics of this mammoth Indaba for having made it possible to have this special event, the African Mining Vision (AMV) Day to take place. This is indeed a special and unique day for the African Union Commission and Africa as a whole. It is special and unique because it is the first time, certainly for us at the AUC that we are meeting as Member States, the private sector and the partners to the African Mining Vision (AMV) and the African Minerals Development Centre (AMDC), in a face to face public-private dialogue at the highest level. Quite naturally, therefore, we are excited because it is one of the rare events when the public sector (represented here by our Ministers Responsible for Minerals Resources Development) at the highest level meet and interact and engage in dialogue with the private sector represented by CEOs, Chamber of Mines etc. It is my

sincere hope that our deliberations in the next few hours and from the morning session will inform the policy dialogue at the national, sub-regional and continental levels to ensure that the benefits from the minerals sector trigger an inclusive growth and sustainable development as well as the structural transformation of African economies.

I would like to exceptionally thank the organizers of the Mining Indaba and, in particular, Mr. Jonathan Moore and the Chambers of Mines of South Africa and Namibia who accepted our humble request to provide a platform not only to promote the AMV and AMDC but to bring together the public sector together with the high level private sector players, business men and women, academia to engage in this high level public - private dialogue on how we can ensure optimal benefits from the minerals for both the investors as well as African economies.

Distinguished Delegates, Ladies and Gentlemen

At the continental and sub-regional level, African Heads of State and Government pronounced themselves on a number of initiatives responding to demand from African people. Our Heads of State and Government at the just ended Summit held in Addis Ababa Ethiopia, emphasized the critical role of Industry, Trade and Services in the structural transformation of our economies and to achieve sustainable development on the African Continent.

The African Mining Vision (AMV) is one of the Continental Industry Initiatives that have been developed by the AUC with the principal objective of transforming African economies through Industrialisation, diversification and innovation. Other interventions include the Plan of Action for Accelerating Industrial Development of Africa, (AIDA); Plan for Infrastructure Development of Africa (PIDA) and the Comprehensive Africa Agriculture Development Programme (CAADP). All these initiatives are directed at achieving our vision as enshrined in the Abuja Treaty and Lagos Plan of Action.

Again, we as AUC are excited. We are excited particularly because we see the implementation of the Africa Mining Vision as a shared responsibility. The Vision cannot be implemented by Governments alone ; nor can the private sector do so alone. And yet even both Governments and the private sector are not sufficient to implement the Vision! What about the poor communities who quite often bear the brunt of mining activities? Parliaments which pass the laws regulating mining, CSOs who provide us with checks and balances, and even Cooperating Partners who fund some of our activities and provide best practice when we need it?

We do appreciate that the huge foreign investments that flow into

the African resource sectors enjoy high returns but this does not come without a high risk. High risks of unstable economic and political environments as well as cases of armed conflicts in resource rich areas. The question is how do we mitigate the risks and work in a partnership to manage them so as to have a win-win situation.

My message therefore is that we are witnessing the start of a process of partnership building; a dialogue that will enable us deliver the AMV together, hand in hand, in order to secure mutual benefits, for not only Governments and mining companies; but benefits that spread to other stakeholders not represented here, such as the communities. For that is what the AMV is all about; delivering not only wealth for mining companies, but development both at the economic and social levels. Development that is, inclusive, equitable, sustainable and which leads to the upliftment of standards of life of our citizens.

Clearly therefore as we discuss the agenda of this afternoon, we will need to be mindful that the dialogue we are starting today impact on many other stakeholders, and we will surely at some stage not only have to accommodate their interests, but bring them into the fora too!

For now let me turn to the business of the day. The main reason

we believe we should have this afternoon together is because our engagement with the private sector has been patchy. While the private sector has always participated, particularly the Chambers of Mines, in the development of the AMV and its action plan, an enduring partnership, free of suspicion and based on mutual benefits, and defined roles and responsibilities has yet to evolve.

Our prayer therefore is that this platform will lead us to developing a mutual understanding of what the AMV encompasses, why we are passionate about it and our aspirations for its implementation. This platform will enable us understand what we are doing, as a beginning, to implement the Vision. Hopefully, the afternoon deliberations could lead us to begin to understand how we can construct partnerships with the private sector; at least in some of the areas critical to achieving the Vision. These are for example; building broad skills and capacities that the sector so desperately needs; and how we can build up local content.

These areas have been deliberately chosen because we believe they render themselves well to private sector participation. After all, Industry is the ultimate consumer of skills and has a direct interest in both their quality and quantity. Yet all too often in our continent, industry has not fully participated in the skills value chain. In a mature mining economy, the skills value chain is much broader, for example here in South Africa. It includes partnerships with universities and other learning providers to support all

manner of technical and social research, support for research centres; providing knowledge resources and equipment, payment of subventions to professors so that they stay in universities. I am not belittling the contributions of the private sector; clearly they can do more, especially if we want to create the knowledge driven sector that the AMV so eloquently alludes to!

Similarly, we can do a lot more to create a value chain which has an increased residual value to the local economy. For decades, mining in Africa has been a source of raw materials for other countries. Its inputs are mostly imported except for some foodstuff. Should our limited capacity to supply inputs this be a reason for excluding the local economy? The AMV again does not think so! It argues that we have to start developing the capacity to supply – in partnership with the private sector. We will have the opportunity to hear from an indigenous local supplier and the trials and tribulations of local entrepreneurs to grow. I hope the local supplier will be candid about his experiences. More important, the local value chain cannot grow without all manner of partnerships, both public and private.

Before I wind up, I want to emphasize a few points about this small word called partnerships. A partnership needs to be a relationship of equals – I know it rarely is! A partnership needs to be equitable – again I know it rarely is! Quite often a partnership blossoms if the parties involved are sensitive to each other's

needs and realize they need each other not just to survive but mutually grow. Certainly this applies at the personal as well as business levels!

I am labouring to point these prerequisites out because we are having challenges in constructing partnerships we can fully trust in implementing the Vision. At the institutional level, several overseas organizations have for example come to us to help us implement the Vision. They have, as has always historically been the case with development cooperation, done all the thinking for us and insisted on implementing their ideas, rather than ours! For us this is disrespectful of our Heads of State and Government who have put their ideals to paper and instructed us to translate them into collaborative activities.

Similarly, we would like to develop a broad range of partnerships with the private sector. This again is to advance the broad mutual interests; it is not to advance the narrow agenda of one or two mining companies. From where we sit, we cannot promote the narrow interests of a company at the expense of mutual benefits and development. Our role is precisely that, to advise African countries what is in their best interest in relation to their own development. Our role is support countries to create an environment that is supportive of the private sector and also delivers development to its people. I am mindful of course that only profitable companies can contribute to development! But

then only those companies that strike a mutually beneficial relationship with communities and governments can mine for a long time!

In my view, given these fundamentals, there are a number of things we will have to do differently to build enduring partnerships. At the very least, we will have to create equal partnerships, not ones where there is an asymmetry of power or information; we will have to think together, we will have to be transparent, not where one party believes or knowingly signs agreements that are unfair and rewards investors but not Governments! Yet Governments provide the resource- the mineral deposits that generate this wealth.

In conclusion, let me share my views and best wishes for the dialogue we are starting today. My hope is that it will become a permanent feature of Mining Indaba. That every year, we can congregate and reflect how far we have come together and set for ourselves milestones for the coming year. That every year we will pledge to work on our relationship, seek ways in which we can improve it; discard what is not working; that every year we will rededicate ourselves to developing this beautiful continent which despite its riches, is the least developed world wide. Indeed this is what the AMV requires of us and as I said at the beginning, not Governments, not the private sector, not indeed any constituency working alone can achieve the Vision.

I thank you all for your kind attention