



Theme: *Creating a nexus between research and policy for sustainable management of Africa's natural resources*



UNITED NATIONS
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UNU-INRA
Institute for Natural
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Session 5

Enhancing Collaborative Governance and Management of the Extractive Industries for Equitable Wealth Distribution and Environmental Management in Africa

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Key Issues Discussed

Please summarize the main issues discussed during the session. Highlight relevance of the respective theme, ongoing work and benefits to sustainable natural resources development in Africa.

- » Africa has not benefited from world trade (world trade has increased 4 times, while Africa's benefit has reduced)
- » Africa not benefited from the manufacturing boom that has happened in the world (mainly from Latin America)
- » Extractive industries must be governed by Sustainable Development rules
- » Lack of downstream processing activities contribute to low contribution to GDP
- » Retention rates of foreign exchange to companies average about 75% (retained outside)
- » Low contribution of mining sector compared to the total earnings
- » Total cost of social and environment is more and if subtracted from the money injected into the economy leaves numbers that show that there is little value added to the countries
- » In Extractive Industry communities, conflicts arise from lack of investment, disruptions and consultations with nearby communities
- » Mining causes environmental damage to the surrounding areas (open pits, effluents etc)
- » Definitions of Sustainable Development discussed in context of mining activities.



Challenges

What are the main challenges (current and emerging) for sustainable development of natural resources identified by the session?

- » *Improving value addition to improve Sustainable Development*
- » *Turning revenues from mining to improve development (Gov. To invest in long term investment)*
- » *Improving capacity of governments in project management , contract negotiations etc*
- » *Regulating Small Scale Mining and supporting their activities (could generate revenue for poverty alleviation)*
- » *Utilisation of revenues from royalties in mining areas.*
- » *Existence of Weak Institutions (EPA), laws and guidelines on EIA and EMR, EA*
- » *Weak Capacity of the Environmental Protection Agencies - Political interferences,*
- » *How do we exploit minerals sustainably*
- » *How do we integrate mining into the overall economy – should be part of development*
- » *Need to look at the costs of environment when analysing contribution of mining to GDP. Positive GDP may result in negative growth due to the cost of environmental mitigation*
- » *Negotiations between investor and owners of service rights (communities)*



Opportunities

What are the opportunities (current and emerging initiatives, partnerships, mechanisms, projects, tools,) that could help advance sustainable development of natural resources specific to the theme.

- » Reviewing mining laws and contracts to raise revenue
- » *Put in place alternative mining regimes , standard that optimizes both tangible and intangible benefits for the nation system*
- » *Review company and financial laws to make the use of international template*
- » *Re-look at the granting of tax exemptions to mining companies in mining contracts*
- » *Need to carry out research to determine job creation on the downstream side of mining activities to appreciate the contributions of mining to GDP*
- » *Africa should trade with itself*



Implications for Science, Technology and Policy in Africa

What are the implications of issues under discussion for science, technology and policy. What is/are the role(s) of scientists, universities and research institutions in Africa in terms of, for example, research and project development, research infrastructure, methodology and curriculum development. What is/are the role(s) of state and non-state actors and stakeholders (example, companies, NGOs, traditional leaders

- » *Encourage transparency and reduce corruption in the sharing of mineral resources (state, NGOs)*
- » *Governments should re-consider how to effectively participate in mining as a business partner and benefit from it and learn from countries like Botswana (state, researchers, companies, NGOs)*
- » *Regulate and encourage small scale miners (state, researchers, NGOs)*
- » *Make efforts to improve on the technical capacity of institutions within the framework of regional integration to facilitate the diffusion of knowledge and skills (state, researchers)*
- » *Ensure coherence in the current process of mining reforms and harmonization in Africa (states, researchers, NGOs, Companies)*
- » *Commitment to public disclosure of information, especially on environmental Audit reports (state, researchers, NGOs)*
- » *Develop policies that encourage down stream processing (state, companies, researchers)*
- » *Review mining laws and contracts to raise revenue (state, researchers, NGOs, companies)*





Key Messages for UNU-INRA

What is/are the next step(s) or what is/are required? What should UNU-INRA do? What resources will be needed? What are the opportunities for resource mobilization?

Please list the main ideas discussed during the session.

- » *Consider training on negotiations skills in mining contracts*
- » *Training on negotiations between investors and service right owners (communities). Policy makers must be part of this training, especially government officials.*
- » *Training and research on mining reforms and harmonisation in Africa*
- » *Research and dissemination on best practices in regulating small scale mining to derive maximum benefits from these operations.*
- » *Research and training on long term National SD strategies for all extractive industries*
- » *Research on how Traditional leaders could be stakeholders and benefit from mining activities in Africa – best practices??*
- » *Research on policy issues surrounding mining (taxation, environment etc)*
- » *Be involved in the UNU programme on Education for Sustainable Development in Africa (ESDA)*

