

**Keynote Address of H.E Fatima Haram Acyl at the FOURTH**  
**MEETING OF THE POLICY DIALOGUE ON NATURAL RE-**  
**SOURCE-BASED DEVELOPMENT - OECD Headquarters, Paris,**  
**France - 29th June 2015**

"Using natural resources for shared value creation in Africa"

Honorable Ministers, Distinguished Guest, Ladies and Gentlemen. It gives me great pleasure to address you this morning about "Using natural resources for shared value creation in Africa". I thank the OECD for organizing this very important dialogue, on this issue which remains critical in all the conversations about Africa's development and the future of the continent.

Let me start by providing the context for this conversation. 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. That transformation is dependent on the effective management and utilization of African 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

It is estimated that Africa is home to 12% of the world's oil reserves, 50% of its gold and 90% of chromium and platinum group metals, 20% of the world's cooper, 60% of the world's uncultivated arable lands and has significant deposits of bauxite and other raw materials. The tragedy of Africa has been its continuing underdevelopment in spite of the abundance of these resources. There is no reason at all, why our brothers and sisters in West Africa – have struggled to deal with the challenges of Ebola – in spite of the abundant resources that we have.

This is the context, and this is why the issue of value creation in the continent is so important. The continent must be able to utilize its resources effectively to address its challenges and to create a better life for its people.

Excellences, Ladies and Gentlemen - This is why we have come up with Agenda 2063. We have adopted “Agenda 2063” as an approach to how the continent should effectively learn from the lessons of the past, build on the progress now underway and strategically exploit all possible opportunities available in the immediate and medium term, so as to ensure positive socioeconomic transformation within the next 50 years.

The vision for the African Union Agenda 2063 is that of an Africa that is at peace with itself, secure, corruption free, encompassing democratic and properly governed states run by efficient and effective public service institutions. It envisions an integrated and technologically advanced continent supported by the biggest workforce in the world and highly skilled human resources.

Africa will continue to build the critical infrastructure to support the exploitation and beneficiation of its vast natural resources as well as the management of its marine resources and adoption of climate resilient technologies. It will be a continent with high life expectancy, high literacy rates and low infant mortality rates.

Agenda 2063 focuses on "A global strategy to optimize use of Africa's resources to benefit all Africans". We can therefore see that the issue of using natural resources for value creation in Africa, is central to the idea of Agenda 2063. The effective utilization of Africa's natural resources requires the cooperation of both the public and the private sector. We all have our roles to play in the elimination of corruption as well as the promotion of the sustainable exploitation of Africa's natural resources. The flagship projects of the Agenda 2063 include:

- Peace and Security - Silencing the guns by 2020
- Good governance - including the organization of free and fair elections
- Human and Institutional Capacity building - The training and capacity development of our youth and women, including higher education, vocational training and the establishment of virtual universities

- Critical infrastructure projects such as development of High Speed Rail networks across the continent and the building of the Inga Dam
- Partnerships
- Establishment of the CFTA
- Commodities strategy
- African Mining Vision

Let me spend a little more time to talk about the African Mining Vision. The role of the Mining sector in the attainment of Agenda 2063 is unique. This is because that a majority of the continent's natural resources wealth is concentrated in the mining sector. In addition, through the African Mining Vision, the continent has elaborated a Vision which it believes embodies an approach for how we can use natural resources for shared value creation.

The Africa Mining Vision envisages a future where the continent's natural resources are used productively and sustainably to its benefit and

that of its people. The African Mining Vision covers six main areas including

- The need for Down-stream linkages into mineral beneficiation and manufacturing;
- Up-stream linkages into mining capital goods, consumables and services industries;
- Linkages into infrastructure, power, logistics; communications, water and skills & technology development;
- Mutually beneficial partnerships between the state, the private sector, civil society, local communities and other stakeholders;
- A comprehensive knowledge of its mineral endowment as well as improved governance in the sector

The goal of the Africa Mining Vision is the effective management of Africa's natural resources for Africa's development and structural transformation – not just increased revenues. This is again consistent with the thrust and direction of the Agenda 2063, and it is consistent with the theme of our discussions today.

To implement the Africa Mining Vision, the AU Heads of State approved the establishment of the African Minerals Development Centre (AMDC) to provide strategic operational and coordination support to AU member States. The Centre began implementing initial activities in September 2013. We are keen to foster continuing cooperation between the private sector, our partners and this critical centre.

In order to achieve any kind of success towards the Africa we want by 2063, and to ensure that we truly have shared value creation, we need private sector engagement as well as cooperation with our partners, especially as they are the destination market for a majority of the natural resources that are exploited within the continent.

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. It does not have to be an adversarial or antagonistic relationship. It can truly be win-win.

Working together to create shared value is not just about doing the right thing or businesses doing good deeds. It is also good business

because shared value will produce concrete benefits for the private sector. Shared value creation through the local development of a skilled workforce which helps businesses to reduce the need for hiring from abroad. can lead to cost savings and competitiveness. Similarly, the development of local linkages and supply chains will facilitate local production of inputs needed for imports and foreign exchange, thus improving business competitiveness and cost-structures. All the while encouraging the diversification of the economies of the host States, the creation of sustainable jobs within these countries and helping to facilitate the development of the countries.

However, these conversations have often generated tensions, among the different parties. African countries initiate policies that private investors are sometimes not comfortable with, and which our partner countries sometimes see as hindering access to critical resources. In spite of this, I believe there is broad agreement that the objectives behind these policies are legitimate - but the key challenge is how to attain a balance. This is again where the notion of shared value comes in, and this is why conversations such as these are vital.

I am looking forward to this important exchange of ideas, and I wish us all fruitful deliberations.

I thank you.