Translating mineral resource wealth into sustainable development – the EU perspective

Management of natural resources in Sub-Saharan Africa, Kinshasa conference

21-22 March 2012

Kinshasa
Challenges on raw materials markets

- Continued growth by **emerging countries**
  Demand also increasingly driven by demand for **new technologies**
- **Increased price volatility**
- Growing impact of finance

*EU highly dependent on **imports** of important raw materials which are increasingly affected by **market distortions***
In its Communication of 2 February 2011 the Commission proposes a new integrated strategy which outlines actions in the area of non-energy, non-agricultural raw materials

Integrated strategy
- based on three pillars
- area of non-energy, non-agricultural raw materials
- connecting EU external and internal policies
- launched Nov. 2008
- reinforced Feb. 2011

Ensure level playing field in access to resource in third countries

Foster sustainable supply from European sources

Boost resource efficiency and recycling
Development policy

- Sustainable supply needs and development goals => creating **win-win situations** to translate resource wealth into sustainable growth

- **Joint Africa-EU Joint Strategy 2011-2013** with focus on three areas:
  1. Governance
  2. Investment
  3. Geological knowledge/skills

- Recent deliverables of this cooperation:
  - First **capacity building workshop on Mining Taxation**, Addis Ababa, December 2011
  - **High Level Africa-EU conference on Raw Materials**, Brussels, January 2012
Joint AU-EU Workshop “Transforming Mineral Wealth Into Sustainable Development”

- National mining visions
- Transparency
- Good governance
- Use of domestically mobilized revenues
- Capacity building
- Country by country reporting and international reporting provisions
- Donor support
- Strengthening the Joint Africa–EU Union Strategy
Recommendations

- Competitive and open tendering process, transparency of contracts and strengthening administrative capacity of governments and parliaments in contract negotiations
- Fostering the co-operation between the European and African geological surveys
- Development of geological skills
EU’s commitment to transparency:

- **Physical markets transparency**
- **Financial transparency - Transparency of payments**
- **Transparency throughout supply chain** (e.g. conflict minerals)
Physical markets transparency

- Increase the integrity and transparency of commodity derivatives markets

- **Improvements** in the transparency and accessibility of information

- Managing volatility of revenue from natural resources
• Extractive Industries Transparency Initiative (EITI)

• **Promote** disclosure of financial information by extractive sector
  - Help society at large and national supervisory bodies
  - Decrease fraud and corruption
  - Trade and investment climate
Supply chain transparency

- Examine ways to improve transparency throughout the supply chain
- Support to the Kimberley Process
- **OECD Due Diligence Guidance** on Responsible Supply Chains of Minerals
Conclusions

• An important element of EU’s policies and especially its raw materials strategy is translating the mineral resource wealth into sustainable development and inclusive economic growth for Africa

• Joint Africa-EU effort to address the challenges in sustainable resources management

• Conference outcomes