

November 9 – 12, 2008

White Sands Hotel, Mombasa – Kenya

(Partners: Individual Participants, FNST and Diageo)

Theme: “Commercializing Africa’s Resources to Promote Prosperity: How Africa can utilize its natural resources to raise the living standards of its people”


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Africa hosts 8% of world’s known oil reserves. The continent has about 30% of the planet’s mineral reserves, including 40% of gold, 60% cobalt and 90% of the World’s Platinoid Group Metal reserves - making it a truly strategic producer of these precious metals. However, Africa’s contribution to the world’s major metals (copper, lead and zinc) is less than 7%.

It is a tragedy that a continent that is well endowed in surface and subsurface wealth is synonymous to poverty and has witnessed over 70 wars in Africa since independence and still counting. The absence of strong institutions and clear framework has impeded a healthy and profitable exploitation of African resources by both indigenous and foreign investors.

These sentiments were expressed at the two day annual Africa Resource Bank (ARB) workshop organized by the Inter Region Economic Network (IREN). This is the sixth in a series of meetings that have been held every year since 2003. Citing conflicts in different African countries, and especially the Great Lakes Region, the meeting recommended several ways of alleviating strife and improving the living standards on the continent. Several speakers, including members of parliament, senior government technocrats, think tank leaders, academicians, and business people from various fields brainstormed on the subject.

It was noted that instead of bringing prosperity and positive change to the region, minerals and other resources had brought a curse and there was urgent need to educate the populace on how to use the resources for the benefit of the people.

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Participants recognized that natural resource investment in Africa is still marred by a number of challenges that include: lack of mineral exploration/exploitation technology; difficult investment climate; weak corporate governance; poor infrastructure; sensitivity on land ownership issues; resource driven conflicts and acknowledged that mining is a risky venture. To invest in natural resource exploitation and improve the standard of living of Africans, participants agreed that there is urgent need to consider the following steps:-

African governments and its people must ensure: -

- Strategic planning on how revenues from minerals and oil will be used and open to the public the actual account of revenues used.
- Transparency and accountability by ensuring open access by the citizenry to contracts negotiated between business and government in the mineral industry
- Independent auditing of how government uses current and future revenues from mineral resources
- Establishment of an African Commodity Stock Market

Detailed approaches to Managing natural Resources

1. Consult mining experts to value and quantify mineral wealth to help determine investment relationships in Africa.
2. Promote Public/private partnerships between indigenous and international investors in exploration and exploitation of minerals.
3. Develop sound policies that regulate and facilitate exploration/exploitation of mineral resources especially high value/strategic mineral such as oil and petroleum.
4. Project the business acumen of African entrepreneurs to the world to attract financial institutions in financing indigenous mining interests.
5. Processing of mineral resources for value addition to generate more income and provide employment in country of origin.
6. Formulate national policies that regulate and provide guidelines on the use of revenue from natural resources.
7. Develop regional/continental institutions to manage mineral resources/wealth in a harmonized/standardized manner.

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8. Identify qualified and competent African negotiators to get good deals/contracts from production as well as ensure local investors are not cheated.
9. Improve education systems to target scientific knowledge with a view of producing human resource relevant to natural resource exploitation.
10. For purposes of balanced growth, mining royalty should benefit inhabitants of mining areas while tax revenue ought to go to central government to ensure service delivery to the rest of the country
11. Mining companies should set up funds for continuous rehabilitation/environmental protection of mining areas.
12. In-depth research and sensitization of the populace on the benefits of mineral exploration/exploitation to African nations.
13. Emphasis on tax exemption for companies involved in mineral exploration.

Managing Africa's Water Resources Effectively

It was observed that management of the water resource requires Integrated Water Resources management; management by basins; proper land use practices; adherence to environmental laws and political federation. The participants agreed on the following approaches to ensure Africa's water resources are managed effectively:-

- Support efforts on consultation and deliberation by regional bodies to resolve controversy surrounding the use of Lake Victoria water to ensure equitable use of the lake resources.
- Encourage African governments to adopt public/private partnership in investing and harvesting and storing rain water.
- Encourage African governments to develop deliberate policies aimed at investing in rain water harvesting.
- Housing designs should facilitate waste water recycling and rain water harvesting incorporating integrated point-of-use treatment.
- Develop, standardized and legalize community water services providers.
- Urban development should ensure proper drainage and waste water management to control pollution.
- African countries should adopt business models that are reliable and easily replicated in water management and treatment.

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Africa's Alcohol policy: Protecting the young African generation

In recognition of the fact that 42 % of Africa's population is below 15 years, it was noted with great concern that African countries lack proper rules, regulations or policies that guide accessing and consumption of alcohol. As a result, participants agreed that behavior prompted by inappropriate consumption of alcohol is robbing the nation of its much needed human resource and in many ways disrupting economic progress. For that reason, there is need for African governments to adopt strong measures that can govern and ensure healthy consumption of Alcohol in Africa.

Participants agreed that African nations should adopt strong laws on alcohol that address the following critical areas

- Standardize and legalize local brews from sorghum, millet and bananas, and local inputs in general to help promote African culture.
- Formulate strong policies to prevent underage drinking and drunken driving.
- Introduce national identifications and licenses to access and drink alcohol.
- Formulate national policies to measure individual blood alcohol level in legal processes as well as ensure brewing companies run responsible drinking messages concurrently with adverts as a health measure.
- Brewing companies should increase strong corporate social responsibility in core areas that have a long-term contribution to society

Opening the meeting, The Director IREN, Mr. James Shikwati said the ARB, which is hosted annually by IREN is a network of organizations and individuals with the objective of promoting concepts that enhance economic freedom and wealth creation in Africa. The meeting **“strategically focuses on the African Mind, the richest asset which is under-utilized, through idea sharing and information dissemination to relevant institutions in Africa”**. He said. Mr. Shikwati also added that the meeting fosters an environment for creating a business minded society in Africa, Improving the policy environment for business and improve networking among Africans.

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THE 6TH AFRICA RESOURCE BANK MEETING 2008

	Name	Organization	Country
1	Sam Poku	CEO - West Africa Business Association	Ghana
2	Adedayo Thomas	Country Director, AfricanLiberty.org	Nigeria
3	Micheal Musau	CEO - Emerging Africa Capital	Kenya
4	Ben Keya	Board Member - IREN	Kenya
5	Joel Ole Nyika	Marketing Manager, Salama Beach Hotel	Kenya
6	Joseph Mutuku Ngemu	Tutor, Magma Technical Training Institute	Kenya
7	James Shikwati	CEO - IREN	Kenya
8	Anne Mugoya	Program Manager, IREN	Kenya
9	Harrison Maganga	ACTs Kenya	Kenya
10	Damon Ansell	Diageo	Kenya
11	Eng. Moses N. Masibo	Chief Superintending Geologist	Kenya
12	Anthony Odeo	Marketing Manager, The African Executive	Kenya
13	John Shivisi	Teacher, Kingwede High School	Kenya
14	Eng. Laurence Marube	Provincial Geologist, Coast Province	Kenya
15	Onyango Oketch	Author and Performing Artist	Kenya
16	Clive Wafukho	Managing Director, Ivory Consult	Kenya
17	Paul Okumu	Director for Partnership, SISA™ Centre for Corporate Partnership	Kenya
18	Catherine Nyawira	Emerging Africa Capital	Kenya
19	Barbara Groeblichhoff	FNST	South Africa
20	Solomon Seshoka.	Democratic Alliance (DA)	South Africa
21	Gahimbare Vestine	Institute of Finance Management (Dar es Salaam)	Burundi
22	Deman Yusuf	Research Assistant, University of Dodoma	Tanzania
23	Khamis Issa Ali	Research Assistant, University of Dar es Salaam	Tanzania
24	Thomas David Maqway	The Center for Prosperity and Economic Liberty	Tanzania
25	Hon. Habib Mohamed Mnyaa (MP)	MP - Tanzania	Tanzania
26	Veni Swai	FNST	Tanzania
27	Hon. Salim Hemed khamis (MP)	MP - Tanzania	Tanzania
28	Hon. Prof. Ibrahim Lipumba	National Chairman, Civic United Front Party, Tanzania	Tanzania
29	Hon. Nsubuga William	MP- Uganda	Uganda
30	Christopher Kanyesigye	Quality Assurance Manager, National Water And Sewerage Corporation - Uganda	Uganda
31	Judith Auma	IREN - Uganda Office	Uganda
32	Brett D. Schaefer	Jay Kingham Fellow in International regulatory Affairs, The Heritage Foundation	USA
33	Kelsey Zahourek	Executive Director, Property Rights Alliance	USA