

Canadian groups promote empowerment in doing business in Africa.

By Ike Okafor

The soaring demand for minerals, due in part to the growing demand from the emerging economies of China and India, has led to increased opportunities for African nations to use their natural resources revenue to revitalize infrastructure, including roads, buildings, power, IT capacity, health services, and education.

As history has taught us in the case of Sierra Leone, the Democratic Republic of Congo, the Niger Delta region of Nigeria among other countries, the possession of mineral resources such as diamonds, gold, oil and others does not always equate to gains for general populations. Instead, inequality and conflict have resulted.

It is within this context, that a new paradigm shift is emerging in Africa. Many African nations are creating legislation to enable companies to engage in meaningful corporate responsibility where they are doing business.

Some of these examples were highlighted in a speech by South Africa Mining Development Association President and Mmakau Mining Executive Chairperson Bridgette Radebe at the Canada-South Africa Chamber of Business 8th Annual Mining Breakfast on March 6, 2007.

Mrs. Radebe says, "We are very happy to announce that in Africa, we do have countries that have woken up to the call of the paradigm shift. Angola for instance, has liberated itself from the war, implementing radical transformation for mining investment to take place. In South Africa, after the apartheid regime, there is a beautiful legislation with the state being the custodian of mineral rights."

Mrs. Radebe is referring to South Africa's Mineral and Petroleum Resources Development Act of 2002. The act promotes transformation in ownership, management, skills development, employment equity, procurement and rural development, and only grants mineral rights to companies which promote historically disadvantaged South Africans.

It is one of several pieces of legislation being adopted by South Africa to redress apartheid and to ensure economic growth by enabling previously disadvantaged South Africans, to realize their full potential in the country's economy.

Canadian mining companies have US \$7 billion in assets in Africa, with another \$17 billion planned over the next five years. This makes the new trend of legislation and responsibility vital. The breakfast meeting took place during the Prospector's and Developer's Association of Canada (PDAC)'s convention and trade show. It featured 18,000 delegates.

The annual mining breakfast was followed by MineAfrica's Investing in African Mining Seminar and the Black Economic Empowerment Seminar, also produced by MineAfrica. These two are platforms to showcase the incredible business opportunities in Africa, and offer practical and expert knowledge on the current legislation governing the mining industry.

The driving force of these events is Bruce Shapiro, President of the Canada-South Africa Chamber of Business and Principal, MineAfrica, and Wayne Floreani, Principal, MineAfrica. The initiative has got the support of Canadian and African private, as well as public sectors.

Mr. Shapiro says, "The combination of the chamber's Mining Breakfast, followed by MineAfrica's Investing in African Mining Seminar, the BEE Seminar, and shared booth options at the PDAC trade show have become the dominant African mining platform in Canada. It's a phenomenal networking opportunity for African and Canadian mining executives, financiers and African Mining Ministers".

The Canada-South Africa Chamber of Business 8th Annual Mining Breakfast, which sold-out weeks in advance, was truly a Pan-African affair and was succeeded by twenty-three presentations in MineAfrica's "Investing in African Mining Seminar" held immediately following the breakfast.

The seminar featured ministers and senior officials from South Africa, Angola, Nigeria, Madagascar, Zambia, and Algeria, to name a few. Private sector presenters included Canadian and international companies mining in Africa, as well as service providers and advisors to the industry.

MineAfrica's BEE Seminar featured prominent law firms and mining companies well-versed in the area of Black Economic Empowerment. The South African Department of Trade and Industry (DTI) has articulated the purpose in its BEE strategy document.

The document states that, "Our country requires an economy that can meet the needs of all our economic citizens - our people and their enterprises - in a sustainable manner. This will only be possible if our economy builds on the full potential of all persons and communities across the length and breadth of this country."

The BEE act has been set up to promote economic transformation. It is driven by legislation and regulation, and offers a scorecard, which is divided into seven criteria. It is applicable to public entities, any company that undertakes business with any state organ, and any enterprise that undertakes business with any entity subject to measurement.

The economic empowerment seen in South Africa is a paradigm shift being emulated throughout Africa. It is aimed at enabling African economies to build on the full potential of citizens. While there can be legislation for achieving such a vision, it should be part of corporate culture. Companies should not be awarded public sector contracts anywhere in Africa, if they do not ascribe to these economic empowerment principles.

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From left, Bridgette Radebe, President, South Africa Mining Development Association and Executive Chairman, Mmakau Mining; Bruce Shapiro, President, Canada-South Africa Chamber of Business and Principal, Mine Africa; Professor Leslye Obiora, Minister, Ministry of Mines and Steel Development, Nigeria.