

SPEECH BY Michelle Labeeu, EU Head of Cooperation

ACP-EU Development Minerals Programme

“National Consultation Workshop – Uganda” 30 – 31 August, 2016

- Honourable Minister
 - Honourable Members of Parliaments
 - Honourable country representative of UN organisations
 - Honourable representatives of Local Governments
 - Representatives of civil society organisations, research organisations and business associations
 - Ladies and Gentlemen
- It is a pleasure for me to participate to this national consultative workshop
- I wish to hereby thank the Government of Uganda represented today by the Minister of Energy and Mineral Development for hosting this event and the UNDP office for his involvement in the implementation of this initiative.

Let me first say a few words about the origin of this initiative:

- The three-year €13.4 million initiative is an Intra-ACP programme initiated by the ACP Secretariat, financed by the European Commission and UNDP, and implemented by UNDP at the request of ACP Group of States. It aims to support small-scale miners, public institutions, and communities operating in the low value minerals and materials (LVMM) sector, such as construction materials (notably gravel, sand, clay), dimension stones (marble), industrial minerals (cement, scrap metals) and low-grade metals, minerals and precious stones (such as gold and gemstone).
- Fully aligned to the Africa Mining Vision which was adopted by the African Heads of State in 2009, it comes in recognition that in various ACP

countries, a number of mineral subsectors are still largely neglected and this despite their important economic potential and job creation. Indeed, historically, too little attention has been given to the low value minerals and materials sector and, particularly, to how it could be a sustainable activity. As a result, many LVMM policies are poorly designed or implemented, while miners lack access to the rights, financial services, market information, and technology they need. Pollution and land degradation resulting from small scale mining have also not been addressed.

- The aim of the programme is thus to support ACP countries to develop national capacity to better manage mineral resources and process them locally, to enable them to channel their mineral wealth into reducing poverty, creating employment and increasing investments in infrastructure development for enhanced service delivery, in an inclusive and environmentally-sustainable way

Second, let me highlight the potential we see for Uganda

- In Uganda, an important number of households rely directly or indirectly for their livelihood on the extraction and the trade of low-value minerals; yet evidences suggest that the potential in terms of job creation of these sectors remain largely untapped. Although they are often referred to as Low Value Minerals and Materials, they actually have the potential to be high value in terms of national development
- The challenges faced by regulators and private operators involved are complex and divers by nature; yet a number of common regulatory and market-related failures are witnessed across these subsectors, and call for comprehensive solutions involving all players.
- At the root of this underperformance are some difficulties to properly address the institutional and policy challenges that come with natural resources management.

- Despite important policy development such as the adoption by the government of the Mining Act in 2003, private agents still operates in an inadequate regulatory framework, which calls for a reinforced public-private debate on ways of improving the business environment.
- Institutions in charge of delivering services to the sectors need to be strengthened. This include public institutions - but not only: business associations, chambers of commerce and other industry groups have a crucial role to play in training market actors, in facilitating the use of innovative and clean technologies, in helping entrepreneurs develop robust business models and in supporting marketing efforts to create new market niches adding value to their products.
- Their tasks is as important as challenging, due notably to the diversity of the needs of the private sector, which in Uganda includes a mix of larger operators evolving in the formal sector and a multitude of small-scale producers that often have semi-legal status and weak capacities to interact with formal institutions.

Notwithstanding this economic potential, there is also a need to carefully assess – and mitigate - the potential risks and challenges associated, notably environmental and safety risks must be effectively managed.

- As we all know, the extraction, the transport and the transformation of mineral products involves important environmental risks which need to be mitigated to ensure that the sector remains economically sustainable in the long term.
- Similarly the human and labour rights of employees and small-scale entrepreneurs need to be respected, notably through the design and the enforcement of robust health and safety standards. Furthermore, effective mechanisms need to be put in place to ensure that the rights of communities living in areas where natural resources are located are respected.

- Therefore, strengthening the capacities of private operators is notably key to ensure that environmental, health and safety standards – which were the subject of a number of International Commitments made by the government of Uganda - are adhered to, throughout the value chain.

In conclusion, I would like to reiterate the importance of this workshop

- I am convinced that thank notably to your active participation to this event; this programme will lead to an improvement of the efficiency of the low value mineral subsectors in Uganda.
- This workshop is a key moment in the project lifetime as it provides the opportunity for all relevant organisations – national and local governments, CSO and private businesses – to input in the programme design, ensuring that it responds to the specific context and challenges faced in the country.
- The outputs of the event, notably an approved road map spelling out specific interventions and related timeframe, will guide the programme team throughout the implementation period. So please take the floor, voice your concern and let us constructively input in the programme design to ensure that this initiative makes a difference on the ground. A multi-faced strategy is needed to respond to the specific needs of each category of operators, using innovative approaches that have been tested in Uganda and in other countries; let us identify the ones that work and let us take them to scale!
- I thank you all once again thank for your presence and I wish you fruitful deliberations

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