

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search http://ageconsearch.umn.edu aesearch@umn.edu

Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.

Panel members: Hon Dr Florence Chenoweth, His Excellency Festus Mogae, Ann Harrap, Hon John Kerin AM Moderator: Max Bankole Jarrett

Paper prepared for presentation at the "Mining, Agriculture And Development: Bread from stones?" A joint conference conducted by the Crawford Fund and the Africa Australia Research Forum, Perth, Western Australia, 26-27 August 2013

Copyright 2013 by [author(s)]. All rights reserved. Readers may make verbatim copies of this document for non-commercial purposes by any means, provided that this copyright notice appears on all such copies.

Panel members: Hon Dr Florence Chenoweth, His Excellency Festus Mogae, Ann Harrap, Hon John Kerin AM Moderator: Max Bankole Jarrett



The panel readies for Q&A. *Right–left:* His Excellency Festus Mogae, Hon John Kerin AM, Hon Dr Florence Chenoweth, Ann Harrap, Max Bankole Jarrett.

Max Bankole Jarrett: Today's conference, attended by over 300 participants, has brought together many accomplished experts in the mining and agricultural sectors, both here in Australia and in many many African countries. In rich and insightful discussions they have exchanged ideas, experience and best practice on issues related to mining, agriculture and how the two could or should be working much closer together.

In this panel discussion we now would like to tease out some perspectives on the way forward, particularly regarding collaboration between African countries and Australia in this important field. As an ice breaker, I would like to direct a big broad question to Minister Chenoweth.

We have talked much today about making 'bread from stones'. Is there really, as far as you are concerned, Minister, a viable recipe on the table for making bread from stones?

Florence Chenoweth: I don't think there is a recipe, I think some of us like to believe that we have a recipe, but I think whatever that recipe, whatever the different ingredients in that recipe, it is about time something happened. But I don't think we have all of the ingredients yet.

I think we ran these two areas for much too long as independent activities. The miners went in and did their thing, which was to dig for whatever was below the ground and leave; and the agriculture teams went in to produce the bread; and

they were distinct for too long. But I think some of the degradation that was left behind from mining has pushed this item onto an agenda. Much of it has come from the people themselves who once had a community and land from which they got bread. Then that land suddenly was not there and there was a big hole.

Ann Harrap: I think also that although we might have had some of the ingredients, we have not necessarily mixed them together very well. In part, this conference is all about bringing together many different stakeholders from both the agriculture and the mining sectors, and also from different parts of government and finance ministries, to actually start that mixing process, and to see whether a proper recipe can come out of that.

One of the take-outs from today's conference, it seems to me, is that we really need to get different ministries, different government departments, to begin talking together much more as whole-of-government, to come up with the sort of relevant policies to establish the enabling environment that would allow the two sectors to mix better together.

In Australia we have not necessarily got that recipe right. We talk about wholeof-government but it is something that we still need to work on, particularly in our federal system. I know that in African countries it is a particular challenge as well, with individual ministries working in their own 'silos'. So mixing these groups together I think is really a fundamental element of getting a recipe right.

Max Bankole Jarrett: Your Excellency Festus Mogae, when you were President, when you were in Cabinet, you had ministers from all sectors. What is your perspective on this?

Festus Mogae: In our system, when the minister responsible for a sector wants to make a recommendation he is required to write what is called a Draft Cabinet Memorandum, and circulate this to other ministries; and also in particular to find out what the Minister for Finance and Development Planning thinks. When he has got those comments, then he finalises it and writes it as a Cabinet Memorandum, making recommendations. That then is distributed to Cabinet ministers on a Thursday for discussion the next Wednesday; and Cabinet is presided over by the President. So although when the decision is made it will be said the minister responsible has decided this, it actually has been compulsory to involve the views of his fellow ministers. So that is how we work.

I think we have acknowledged today here, all of us, that there is the need for better coordination in our actions. And we have recognised the fact that we have taken these two sectors — agriculture and mining — as just being separate and have dealt with them in isolation, instead of treating them as activities both of which are good, but which could conflict. They have to be reconciled and the community must be involved.

What we do, if for instance something is going to happen in a particular area, the government minister will go to the Chief. First, he has to convince the Chief. Then they will go together to the community and hold a public meeting. They will explain what it is intended to be done and what the benefits and disbenefits are supposed to be; and the people comment. And if it turns out they are hostile to the idea, the discussions with the community will go up and come down again and again until you have some kind of consensus. In our traditional system we have not used the vote but rather we use the consensus, public consensus, and that is how we proceed.

I agree very much with the consensus from today that we ought to start consultations as early as possible. That we should acknowledge that since government, in particular, exists for the benefit of the people, we should ensure that from the beginning we manage the interaction between these two activities that are meant to benefit the people, to avoid possible conflicting outcomes.

Max Bankole Jarrett: John Kerin, you were for many years in government and now you chair the Board of Directors of the Crawford Fund which organised this conference. What is your perspective on this?

John Kerin: My background includes both agriculture and mining. Both sectors involve private enterprise and deal with world markets; they are very pragmatic sectors in Australia. We can assist people in developing countries by sharing our experience, involving the private sector in the way we deliver development assistance. What this conference has brought out is that the mining sector can show the way in many areas. Mining companies — which are private sector working in a market-commodity environment — actually are 'on the ground' for much longer than many of the other groups delivering aid. That means that they have time to understand the communities they are working in, and see new ways of assisting, as long as they involve the people concerned.

Max Bankole Jarrett: I might be wrong in this, but it seems to me that often cooperation doesn't happen because people don't foresee direct benefits from it happening. In this particular case, both the mining and the agriculture sectors are influential in the countries they are in. Who from your point of view, Minister Chenoweth, needs the most persuading to do this 'dance', from agriculture and mining? Is it your sector, agriculture, or is it the mining sector, in Liberia?

Florence Chenoweth: In Liberia our practice is like that outlined by President Mogae. We may write a Cabinet note but after that no sector minister makes a decision unilaterally. We have the public investment institute or organisation, which invites us, as sector ministers, to the table. There is a core group that consists of the Minister of Finance, the Minister of Justice, the legal adviser to the President, the head of that investment institution's commerce; they are statutory members. The sector ministers are invited when the discussion is about their sector. Mining and agriculture are there together in many cases because of the interaction of the two together, but not necessarily. So the decision is not made by a sector. When the decision is made by that national investment committee, it becomes law. Before investors go out, it has to be ratified by our legislation, that concession agreement. While that is going on, the sector ministries are on the ground (and they include wellness as part of the ministry of lands and mines) and we have a land commission that is also on the ground with the local head of that area which we call a superintendent. All of these groups meet those communities together. So you see you cannot just put the blame on one sector at any point because the approach is integrated.

Max Bankole Jarrett: Yes, I see it is not a case of putting blame. Rather, who is it now who needs to take the most responsibility for driving forward this agenda, which we all agree is an important agenda?

Florence Chenoweth: Agriculture and mining, the two, with the lands commission, need to go and talk to, and work with, the communities. Because if ever there is a problem we have to return to that spot.

Max Bankole Jarrett: President Mogae?

Festus Mogae: Yes, in our case the whole government will be held accountable. So in fact the ministers really need to help each other if they are going to be meeting a community where questions of land use arise, or traditional uses, or investment. There you might have the Minister of Agriculture, the Minister of Lands and the Minister of Mineral Resources. They all go together, but as I say, the ideas of the government as a whole are brought together via the Cabinet meeting on the issue.

I think Minister Chenoweth said that in Liberia a decision is made, then a law is enacted. We do that slightly differently. The law exists, and procedures are prescribed including criteria the prospective investor has to meet and how the consent of the community has to be obtained, etcetera. Those may be slight differences between our practices.

Florence Chenoweth: Let me just clarify: when a concession agreement is given to anybody for long-term investment, to protect the concession and the government the legislature ratifies that concession.

Ann Harrap: My sense, from today's discussion, is that there are actually a lot of players in this that have a responsibility for influencing better development outcomes from greater collaboration between the agriculture and mining sectors. The governments obviously must be the drivers of that, but clearly the mining companies have a role in actively undertaking their corporate social responsibility activities, including in the agriculture sector, and in actively promoting that and demonstrating what they do. Communities need to be actively involved as well; they need to be appropriately empowered, and then there is a role for donors.

I think there is a clear role for the Australian Government in helping to empower those communities, in helping to build capacities in agriculture and mining public services in African countries. It is a role that we are already playing in response to direct requests for assistance from many African governments. I think there is also a responsibility or a role for the Australian Government in working more closely with the private sector, provided that the enabling environment is right in African countries.

There is also a role for the Australian Government in helping to support better research into some of these issues. A big question emerging from today's discussion is how can governments make informed decisions about granting mining licences, for example, if they do not have the right information; if they do not have the appropriate research that tells them what is going to be the development benefit for their citizenry?

Max Bankole Jarrett: Is it just a one-way street in this relationship between Australia and Africa, or are there things that maybe Australia can also be learning from Africa in a sense?

Ann Harrap: Certainly we can learn from Africa. I think that has been a real theme today: that there are many things in Australia that we have not necessarily got right, and that it is about partnership. I heard someone talking today about farming in Australia, where the average age of an Australian farmer is 55. It is not 'sexy' to be in farming these days in Australia, so how do we make it more attractive? What can we learn from Africa in terms of encouraging young people to stay in agriculture?

Max Bankole Jarrett: I am curious about the timing of this conference, this conversation. John Kerin, why is it noteworthy that we are having this rather unique conversation right now?

John Kerin: Well I can only answer that from the Crawford Fund's perspective. We thought it was about time we extended our conversation to other sectors. The Crawford Fund and many of Australia's aid agencies, the whole web of the way Australia delivers development assistance, are very much focused on technical constraints to development. We thought maybe we could learn some lessons from the experience of our miners in Africa, particularly.

Africa is a gigantic challenge to Australia. There are over 50 countries in Africa. Each is different, but perhaps through conferences like this, with so many students and eminent people, we will gain some lessons and we will gain better ideas for the aid projects that we do, and also possibly those of AusAid, ACIAR, CSIRO, and other agencies such as the non-government organisations and the private sector, in delivering assistance. We can all do our bit from different points of view. We are a small organisation but there were willing partners and I think we have all learnt a lot from each other.

Max Bankole Jarrett: President Mogae, from your long experience in quite a few discussions, is this conference unique?

Festus Mogae: It is unique in the emphasis it has created in coordinating treatment of the two sectors. I think the importance of agriculture has always been recognised; the importance of mining has always been recognised; and the potential conflict is occasionally recognised.

Where this conference is significant is in the emphasis on the importance of dealing with these issues together at the very very beginning. Acknowledging that they are both good but there could be potential conflict. That in the case of mining, normally agricultural activities are already on the ground and the miner comes and prospects and discovers something — and then wants to bring about change that is going to affect those who are already in possession of the land. That therefore you should involve the community from the very beginning in an appropriate way — I only know the ways we have used in Botswana. Also, that there should be appreciation of all the consequences of impacts of the activities for the life of the mine, over time. All these things must be made explicit and discussed and accepted as such, and to the extent that government has the responsibility it is government's duty to make the community understand them.



Even when the community is being very enthusiastic about the activity you are persuading them to accept, you have to turn around and say: 'Do you realise this is what will happen in this, and some of us may not be there?'. I think that is the importance of this meeting. Also I was not aware previously of mining companies directly supporting agricultural activity the way I have seen today. I also know that in some African countries the company itself makes promises to the community. In Botswana that is not the case: it is the government that makes the promises to the community, and for anything that happens the people hold the government accountable.

Max Bankole Jarrett: John Kerin?

John Kerin: Both our distinguished African speakers have mentioned coordination and planning in government. We found that coordination is one of the biggest problems in government policy development. And this brings into play the institutional constraints: you can have all the policies in the world, all the plans, but you have to have the capacity to implement them. In this context all Australia can do with our African friends and people in other parts of the world is share our experience, but then when you can get the agreed government policy you need to have the capacity to implement it and that means you need functioning bureaucracies. Now all that is very hard to achieve very quickly.

Max Bankole Jarrett: Now talking is important but often you want to go somewhere and leave with something, something tangible. Minister Chenoweth, yesterday was yesterday, today is today. You're going back to Liberia: what do you take away from the discussions today that's going to help you and influence the future direction of the links between the mining agricultural sector and your own country?

Florence Chenoweth: First let me go back to what President Mogae has said, because in Liberia also we do not have mining and agriculture actually working together in the same place. We are all learning. What we have had is a mining concession taking over land that was once agricultural land, and degrading it and leaving. What we would like to see now, what we are talking about, is mining

companies taking some responsibility for making sure that they do not just leave a hole in the ground; that some activities are carried on to benefit the people rather than displace them completely, which is what has happened before. We are talking about it. We actually do not have on the ground an agriculture program for any of the mines that you can talk about; it is still at the talking stage. But that is a good thing and my agency is pushing it also because it means



livelihoods for people who are not directly involved in mining activities, for people for whom this is their way of life and the way they want to continue. We have a serious food security problem having come out of over 24 years of conflict. So any time we can have people engaged in farming to provide food for themselves, and hopefully have surpluses to sell, we push that activity.

So that is where we are in Liberia. We are here to learn from Australia about mining and agriculture coexisting.

Max Bankole Jarrett: Now it is time to take a couple of questions from the floor. The first is from Dr Yemi Akinbamijo who is from the Forum for Agricultural Research in Africa.

Dr Yemi Akinbamijo: Your Excellency and distinguished members of the panel, I direct my question to both President Mogae and Minister Chenoweth. As a representative of the research component of the African farming community I would like to know from both of you what role the government is really playing, or supposed to be playing, in these new developments of agriculture with mining. How can governments further assure equitable trickledown effects to the farmers, in terms of driving long-term public good in the agriculture and mining contexts?

Max Bankole Jarrett: President Mogae?

Festus Mogae: This is why as governments we are participating in this conference. Unlike in the past, where policies were diminished by political rhetoric, there is acknowledgement now by most African countries that we need to understand and better appreciate both the technicalities and also the necessity to carry the people with us in the decisions we make for their benefit. There has been a shift in thinking, and research; the importance of research and therefore knowledge is now recognised. Through the African Union, the whole of the African continent including southern Africa is now aware of the importance of research, and also of learning not only from the more advanced countries like Australia but also from one another.

Max Bankole Jarrett: Minister Chenoweth?

Florence Chenoweth: I think I do not need to convince you that I am not a politician. I am an agricultural scientist, and you know that all along I have advocated for more agricultural research because we need research to drive this sector. When we returned to rebuild our broken country we found no germplasm, zero, not a seed to plant. We met no animal life, because for 24 years anything that moved became dinner. We have had to restock animals; we have had to do breeding; and that is why people like myself are back, because our greatest loss was human capital. If you were a trained professional you were caught and killed — brutally killed.

So while we are trying to train our young people to take over, we are also trying to rebuild our agricultural research institute, not just to have a physical place but also to have agricultural research back on the active agenda.

Why we are interested in agriculture and mining? Mining is an important sector for our economy, but right now when it comes to meeting our food security needs — 40% of our children are stunted, over 40% of our people are malnourished — agriculture, and people producing food, has to be our priority. So when we have a large area taken into a mining concession we want to make sure that the population in that area can still carry out activities that will feed them. We do not have the luxuries of, say, Australia or even Nigeria, where you have all of your roads. Every road network in Liberia was destroyed. Every piece of electricity was destroyed. Every water system was destroyed. Our people are stuck in enclaves, and when they are there they need to live; they cannot eat stones. They need to buy food with the money they make from working at mining, or produce it themselves. Another thing is, because mining took over so holistically before, there were migrants that went to the mines, and families were separated. By having agriculture and mining together, we can keep people together. The agriculture part of that family is producing food and the mining part of that family is involved in mining. So my colleague, the Minister of Mines, is my buddy. We work together very closely because we want to see this happen for both sectors; we are not in conflict.

Max Bankole Jarrett: Minister, you mentioned conflict there and I think that something avoided in today's discussions has been aspects of conflict. Both sectors, in many parts of Africa, are not necessarily the drivers of conflict, but conflict is somehow related to those sectors. Issues of land use, land access, land degradation — there is conflict around that, and issues with conflict management, and with natural resources and minerals. While we are looking forward, to see how we can be more synergistic in terms of mining and agriculture, how do we deal with the conflicts that already exist in both, and is there a win–win that can help us solve those conflict issues?

Florence Chenoweth: You know in Liberia we have a Ministry of Lands, Mines and Energy. The proposal now is to delink land, the conflict part. Delink land and leave mines and energy as one. We also have to deal with land tenure issues, which all African countries have, but it is such a can of worms that most people do not want to touch it. We have a land tenure and land reform program going. When we change the ministry, land may come under the Ministry of Justice, because yes, you are right, there are conflicts. People feel that a lot of the decisions that affect real lives, their land, everything about them, are made in the capital. That is why they insist that we have those dialogues and those meetings with them. Not only with the Chief. With them. After almost 25 years of conflict we know now that we have to talk to the people as well as the Chiefs. *Max Bankole Jarrett*: What about Australia? You have similar issues, to a certain degree, in terms of Indigenous groups and access to minerals, and conflict around that. What can we as Africans learn from you, and what maybe can you learn from us, on this aspect?

Ann Harrap: I think it comes back to the point that His Excellency made early on, about the need to have economic, social and environmental impact assessments right at the very beginning of any process. Those potential conflict areas, whether over access to land, or labour mobility issues, or access to water, need to be resolved early on in the process. As I said before, we are still learning in Australia and we do not necessarily have a recipe, but we can share best practice and experience. We talked before about using the Australian aid program in a whole range of areas, but often the need is not about money but about sharing stories, sharing ideas. We can share how we have had successes and failures, and how African countries may be able to avoid going through those same sorts of failures.

Max Bankole Jarrett: The next question from the audience is from Mellissa Wood of the Australian International Food Security Research Centre.

Mellissa Wood: My question is to Minister Chenoweth and any others who are interested to respond.

Yesterday, when we were on the field trip, we saw evidence of making bread from stones at the mine site. However, I am interested in the future and in sustainability. There are many young talented students and potential leaders in the room, so my question is about how mining can contribute to the long-term sustainable development of Africa. Specifically, what concrete opportunities can mining contribute to the agricultural sector and the communities the sector resides in, to ensure that communities are in better shape and more productive and profitable when the mining companies leave — as they all do? The communities and their agriculture will remain. How far does corporate social responsibility extend?

Florence Chenoweth: I mentioned that any concession has to be ratified. When a concession agreement is put together the licences will be issued by the minister, the Ministry of Lands and Mines, but the whole concession cannot be activated until that concession is ratified. What people look for, even when the discussion is going on at our level, is to make sure that the agreement has social benefits, and whether the land is for an agricultural concession or mining or anything else, that there is a land renter fee. A part of that fee goes to the community. There is also the social benefit sector that makes sure that there will be a school, cleaning, clean water, as part of the concession holder's social responsibility. All of those aspects are included before we send the concession to the legislature. They are discussed with the people in the area. You see in Liberia ministers are not politicians. We never were. The politicians are in our legislature. They have their constituencies. We do not have constituencies. We consider the implications for the country, from the national level and at the local level. Those law-makers are the ones making sure that their constituents have been considered in all of those aspects.



Ann Harrap: In relation to Mellissa's question about what can mining companies do in relation to agriculture, I am wondering further about the scalability and extent of mining company responsibilities. As we have heard today, mining companies can certainly serve as models in the way in which they might engage with the agriculture sector. We have seen lots of examples of that in Australia and in some parts of Africa as well, but the scalability then becomes the responsibility, in my view, of the agribusiness sector or the broader private sector. The government's responsibility in those circumstances is to create the enabling environment that allows the private sector to come in and actually develop agriculture, either at the commercial level or, if that is not appropriate in the circumstances, to enable smallholder farming to really grow to the appropriate capacity.

Max Bankole Jarrett: President Mogae, I have a question for you that is linked to something you mentioned when you spoke earlier today and quoted the second President of Botswana, about intergenerational equity, and making sure that future generations benefit. How important is it to take the transformative approach to the mining and extractive industry sector now, and link that with agriculture? How really important is that, in ensuring that enough wealth is created or generated so that future generations can actually benefit?

Festus Mogae: Elected politicians in my country have a five-year term, at least at the level of President, but individual members of Parliament can be elected as many times as they are lucky.

In our case, as I said, the mineral concessions once they have been approved — actually, there is quite a lot of similarity with what is done in Liberia in the sense that when a concession has been granted a licence it must be submitted to Parliament for approval, and once approved it becomes law — a mine might last 60 years, but the mining licence in Botswana is for 25 years. So it becomes possible to renegotiate. In fact, we have already had to renegotiate two concessions and we used the opportunities to improve certain areas which we thought were in need of improvement. We also have a sovereign fund which is supposed to be a future generations fund but which can be used in emergencies. You have to rely on developing the institutions and the practice and the culture

of evaluating a situation and building consensus. Generally with our mining practices and laws there is consensus on them between all parties, so that irrespective of which party comes into power they would still continue.

The criticism whenever a concession is approved is not necessarily only from the opposition. Sometimes there is strong support from some opposition people. I think that is the best you can do. You cannot guarantee that the nation will still think the same way 25 years later or 30 years later. I think you try to do the best, on the basis of the knowledge and expertise available to you, and discuss transparently, and debate the issues and reach some agreement which appears to attract the majority of people there at the time.

Max Bankole Jarrett: Thank you Your Excellency. The third question from the audience is from Fatimata Soumare of Papillion Resources.

Fatimata Soumare: My question is for Mr John Kerin and Ms Ann Harrap. How can partnerships between mining companies and rural communities be strengthened? Do you have some examples for us, please?

John Kerin: I think there is a general lesson on partnerships to be learnt from agricultural extension, even in highly developed agriculture sectors such as in Australia. It is that unless you understand the sociology of the farm sector they will never adopt a lot of your research. That is even though you are often dealing with people who adopt research findings very quickly. Outside Australia a



lesson comes from the people at ICRISAT* in relation to the Deccan plateau of India where they have been farming for 3000 years: what could the experts teach them? The research team sat down with the local people, learnt the processes of their farming systems, how the villages worked together, how the women worked on the farms, how the whole community functioned. And then the research team could see a quicker way to benefit the people. One example was the way they found that if you let the sorghum wilt when it was growing you stopped a weevil coming up, and then you turned the water back on. It took only a little change in the irrigation system. That was a really great lesson to me.

With respect to mining, I learnt from the Porgera gold mine in Papua New Guinea. There, before the mine was developed, the mining company discussed in great detail with the people, right down to the clan or family level, what was going to be involved and what the benefits would be: roads and power, infrastructure and the opportunity for people to get to markets. Then the company and the people could discuss what they thought they would like. For the mining company, being on the ground gave them time to understand and develop what the communities really wanted that was feasible and sensible. Mining companies are very practical.

^{*}ICRISAT = International Crops Research Institute for the Semi-Arid Tropics

Now I am not saying all mining companies do that but we do have examples where this has occurred and I think it needs to occur more often.

Ann Harrap: I agree absolutely with John: to build partnerships you need communication — and understanding that the communication can take some time. It is not only explaining the benefits that will happen but also explaining what will not happen. It is about managing expectations. Whether your business is in agricultural industry or mining, it will not be a 'cash cow' for ever. You need to explain to local communities what can and cannot be done, giving them time to understand.

Max Bankole Jarrett: The final question from the floor is from lan Satchwell of the International Mining for Development Centre.

Ian Satchwell: My question is first to John Kerin and it is about engagement of the private sector. We have heard about the role of mining companies and their relationship with local agriculture; we have also heard a lot about the role of government and the need for an integrated whole of government approach. But if African agriculture is really to reach its potential, which it is a long way short of right now, mining companies and government can only do so much. A lot of other private sector engagement is required with, for example, financial institutions for financing agriculture, large-scale and small-scale agribusiness institutions and cooperatives, electricity, water and infrastructure service providers, marketing and distribution organisations. What lessons can be learned from Australia in ways of activating the private sector and getting the private sector involved with agriculture, to take it to the next level? Then perhaps President Mogae might like to comment on experience to date?

John Kerin: It depends which country you are dealing with; it depends on the structure of the economy; it depends on the resources available; it depends on the level of population; it depends on the competence of the government you are dealing with; it depends on other private infrastructure that exists in that country. In relation to Australia's experience, I know a little bit about Papua New Guinea, the Philippines and Indonesia. In Indonesia, extensional electricity was the main thing that transformed that society — and it is still under transformation, with its 260 million people, right on our doorstep. After that, most of the aid we contributed went into bridges. In the Philippines, it was a road. These are big projects that our aid agencies could engage in, and from that you might better develop a dialogue between private sector people. Trade plays a very strong role in that because once you have a trading relationship with a country you then have people who actually talk to each other and know each other, and understand where the problems lie and where they may be resolved.

There are no short answers in private sector engagements. First, the firm concerned needs a board that understands that this is a very complex issue. From that, if you get really sensible management and if there is a competent government to deal with, you can make quite rapid progress, in my opinion.

Max Bankole Jarrett: President Mogae?

Festus Mogae: There are limits to benchmarking. You cannot simply transpose a solution from one country to another even though there may be similarities,

but you can still learn and appreciate the principles that were involved and the practices. Obviously the priorities also differ, as Mr Kerin says: bridges in Indonesia and a road in the Philippines. From our point of view in Botswana, from day one we considered that mining would save us.

There were disagreements with mining companies at the beginning. In one case, the diamond mine that we were going to open was in the middle of nowhere, and they were going to have to provide everything: water, accommodation for the workers, transport, an airstrip, a road and everything. We asked how long it would take them to recover their capital; they said about seven years. Then we agreed we would attach our people at every stage. This was one of the things that was agreed, that we have to train our people in running mines and in the associated skills, even accounting. So we attached people to them and in the end they recovered their capital in 18 months. We celebrated and drank toasts to each other, and at the end of toasting we said, 'Oh by the way, now that you are no longer at risk we'll have to talk about the distribution of benefits between us and yourselves...'. They were horrified! Now we know better and we negotiate. We form a team mostly of officials and we include experts from abroad who advise us for the period of negotiation. That is why I said we are learning from experience. We did not want to be vindictive. We still wanted to attract more investors to prospect in our country, and at the same time we did not want to be cheated. And so the provisions in the Act are intended to be balanced to take account of all additional conflicting considerations.

The government has not leaned on companies to support agriculture, but I suppose if we were to do that we would try gentle persuasion, and insinuate that they might do something. We do not want to make unreasonable demands on companies, especially as we still really need more and more investment. But certainly they have firm obligations by law — certain things that they have to do, including making provision for mine closure. One of our mines, a copper-nickel mine, was operated by a partnership between a company in America and a company at that time of South Africa but now British. A lot of things went wrong, and sometimes they would accuse each other, but when in our presence they would close ranks. So we always dealt with them using consultants because we knew they knew better. Ultimately one company left (which also reduced a series of other complications), but they had to pay their contribution for the mine plus the costs.

Max Bankole Jarrett: Thank you very much President Mogae. We have covered a lot of ground in this hour, and throughout the whole day. Now I want to hear from the panel, very briefly, your sense of the way forward; where we go from here in terms of making bread from stones.

Ann Harrap: There is a big role for governments in ensuring better integrated planning at the start of major investments, whether in the agriculture sector or in mining.

Florence Chenoweth: I agree with that. Government needs to take the lead. In our case we have to make sure that whatever the outcome it is especially in the interest of the people of the region.

John Kerin: Many people have mentioned that the right to food — thus, the right to existence of life — is what we are really dealing with. My point, which is relevant to the Crawford Fund and many of Australia's aid agencies, is that the 870 million people who will go to bed tonight hungry need to be able to produce their own food. The role that international agriculture and research can play in that is absolutely vital.

Festus Mogae: The way forward is based on knowledge. That is why research is important, and knowledge-based planning.

Max Bankole Jarrett: Thank you very much, President Mogae, John Kerin, Minister Florence Chenoweth and Ann Harrap. Thank you very much for this session.

