



## **NEEDS ASSESSMENT WORKSHOP FOR PAN AFRICAN PARLIAMENT (PAP) MPs ON A CURRICULUM ON NEW DEVELOPMENTAL APPROACH TO NATURAL RESOURCE GOVERNANCE IN AFRICA**

**Kievits kroon, South Africa, 9-10 August 2019**

### **I. Context**

a- Within the framework of their Joint Programme on Enhancing programmatic and analytical capacities of Members of the Pan-African Parliament (PAP) and its staff on issues related to democratic governance, and as part of implementation of the Protocol to the Treaty Establishing the African Economic Community Relating to the Pan-African Parliament (PAP Protocol) or Sirte Protocol, and of the 2014 Protocol to the Constitutive Act of the African Union relating to the PAP (New PAP Protocol or Malabo Protocol), the PAP and the Africa and West Asia Programme of International IDEA (AWA IDEA) are organizing - in partnership with the Department of Political Affairs of African Union Commission and with the Support of Norway Cooperation- a **Needs Assessment Workshop for PAP MPs on a Curriculum on New Developmental Approach to Natural Resource Governance in Africa. The meeting will take place in Kievits Kroon (South Africa) on 9 and 10 August 2019, in the margins of the PAP Session.**

### **II- Background and Rationale**

b- Africa is exceptionally endowed with Natural Resources. The AfDB's ANRC estimates that Africa "...accounts for about 30% of all global mineral reserves. It is proven that oil reserves constitute 8% of the world's reserves and those of natural gas amount to 7%. Minerals account for an average of 70% of total African exports and about 28% of Gross Domestic Product (GDP). The contribution of extractives to public finance is significant, with some member



states' public revenue almost entirely dependent on them. The African Development Bank (AfDB) estimates that Africa's extractive resources will contribute over USD 30 billion per annum in government revenue for the next 20 years." (AfDB, June 2015, p. 1). Africa's dependence on the export of mineral resources was estimated at 50% in 2002, then 68% in 2008 before falling to 54% in 2016. Mining, oil and gas exceed 50% of Africa's total exports in 2016. Exports of mineral resources, including hydrocarbons, increased from \$ 64 billion in 2001 to \$ 447 billion in 2012, before falling to 181 billion in 2016. The average of African mining exports, in oil and gas, was \$ 301 billion per annum, between 2007 and 2016, while the continent's total exports for the same period averaged \$ 481 billion<sup>1</sup>.

c- Notwithstanding these abundant natural resources, African countries remain for the most part, among the poorest in the world. In other words, the natural resource endowment of African countries has not translated into decreased poverty and inequality, more job opportunities - especially for young people, improved access to basic public services and human security. Moreover, African Resource Rich countries are also the most exposed to illicit financial flows<sup>2</sup>. These flows originate from several sources in natural resource sector<sup>3</sup> including revenues from illegal activities, tax avoidance, base erosion and profit shifting, trade mis-invoicing, corruption, etc., Illicit Financial Flows (IFFs) divert resources from social development and raise serious problems for financing development of African countries. They also undermine governance, hamper structural transformation and reduce the rate of taxpayer compliance, therefore affecting overall economic activity. These risks have been recognized in the 2030 Agenda for Sustainable Development, specifically in target 16.4 of the Sustainable Development Goal (SDG) 16. The Addis Ababa Action

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<sup>1</sup> McKinsey Global Institute, Lions on the move II: realizing the potential of Africa's economies (2016). Available at <http://www.mckinsey.com/global-themes/middle-east-and-africa/lions-on-the-move-realizing-the-potential-of-africas-economies>.

<sup>2</sup> See the "Report of the High Level Panel on Illicit Financial Flows from Africa", <https://www.uneca.org/publications/illicit-financial-flows>

<sup>3</sup>



Agenda on financing for development also calls for redoubling of efforts to substantially reduce IFFs by 2030. The Action Agenda invites the “appropriate international institutions and regional organizations to publish estimates of the volume and composition of illicit financial flows.”

d- This contrasted situation in most of the Resource-Rich Countries can be correlated to the weaknesses of their legislatures, which are pivotal democratic institutions because they represent social diversity, the legitimization of the rule of law and the accountability of the executive to the people<sup>4</sup>. In these countries, the head of State and some of his collaborators and relatives generally manage natural resources exclusively and directly, and there is seldom any monitoring and reporting mechanism for their exploitation and management; as well as of the use of money they generate. The space for governance of natural resources in these countries is very restricted, which favors multiple financial scandals and even violent conflicts – including in some of the best performers in democratic governance in Africa. (Nic Cheeseman and Jeffrey Smith, 2019; Tana Forum, 2018).

e- There is, therefore, an urgent need for an inclusive and participatory approach to Natural Resource Governance in African Countries to achieve Sustainable Development Goals (SDGs), the Medium-Term Plan of the African Union Agenda 2063, and to build democracies that deliver for Citizens in Africa. Unfortunately, the required linkages between Natural Resource Governance and representative Institutions remain poorly developed. The African Mining Vision (AMV) adopted by the African Heads of State and Government in 2009, based on the conviction that Africa's significant resource endowment is a comparative advantage, was supposed to be the main vehicle of this linkage and aimed to promote a fair and optimal exploitation of the mineral resources

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<sup>4</sup> See, Anar Ahmadov and Farid Guliyev, “Tackling the Resource Curse: The role of democracy in achieving sustainable development in resource-rich countries”, IDEA, 2016.



through, among other things, (i) the linkage between the extractive sector and the socioeconomic transformation of the rest of the economy; and (ii) the strengthening of regional cooperation<sup>5</sup>. Yet, the AMV remains relatively unknown at country level across the continent – particularly for MPs at continental, regional and national levels, and major questions are still pending: how to improve the linkage between legislatures and sound management of natural resources to build African democracies that deliver for Citizens? How to strengthen the role of MPs in framing, defining and implementing developmental policies in the Natural Resources Sector? How to build a democratic consensus among stakeholders on natural resource developmental policies?

f- It is to fill this gap and respond to these questions that since 2016 and within the framework of their joint programme on the promotion of participatory and inclusive sustainable development in Africa, the Pan African Parliament and the Africa and West Asia Programme of International IDEA has developed, in partnership with some strategic partners, a New Developmental Approach to Natural Resource Governance. This New Developmental Approach to Natural Resource Governance is not a substitute to the African Mining Vision (AMV) but seeks to fast track its implementation by attempting to connect exploitation of natural resources, democracy and sustainable development. The new approach implies a paradigm shift in natural resource policies in African countries characterized by:

- The linkage between improved political participation and inclusion in framing and defining natural resource policies and the quest for democratic dividends for the citizens of African countries;
- The need to move from a restricted tax and fiscal perspective to a more comprehensive developmental approach;

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<sup>5</sup> African Union, Vision of the African Mining Regime, February 2009, 53 p.



- The linkage between inclusive, participatory and developmental natural resource policies and constructing capable developmental states – i.e., states that can respond to citizens’ needs in terms of accountability, access to basic public services and security – and create a consensus on a legitimate developmental project through the optimal use of natural resources;
- The linkage between inclusive, participatory and developmental natural resource policies and regional integration to achieve the socioeconomic transformation of African Resource-Rich Countries in the context of the Medium-Term Plan of the African Union Agenda 2063 and the SDGs;
- The linkage between inclusive, participatory and developmental natural resource policies and own based financing for development of Resource-Rich Countries within the Framework of the 2015 Addis Ababa Action Plan for Financing of Sustainable Development;
- The linkage between inclusive, participatory and developmental natural resource policies and democratic and accountable diversification of economies;
- The proactive role of Legislatures (at Continental, Regional and National Levels) in designing, implementing and promoting New Developmental Approach to Natural Resource Governance;
- The valorisation of the natural resource value chain through their necessary transformation at local level (as opposed to their gross export) to contribute to job creation (especially for young people) and the industrialization of the 'State';
- The organization and rationalization of the operation of the artisanal and small-scale mining sector;
- The inversion of the logic of action of the organized private sector that must privilege the general interest of citizens of



countries of extraction rather than the individual benefits of the shareholders;

- The linkage between New Developmental Approach to Natural Resource Governance and Fight Against Illicit Financial Flows from African Countries;
- The linkage between New Developmental Approach to Natural Resource Governance and Structural Conflict Prevention as well as Peace and Security in Africa; and
- The priority given to continental and regional frameworks and mechanisms for monitoring / evaluating the implementation of Natural Resource Governance policies of African countries such as the African Peer Review Mechanism (APRM), the African Mining Vision and existing regional arrangements in Southern African Development Community (SADC) and East African Community (EAC) Regions – in addition to external frameworks.

g- The New Developmental Approach to Natural Resource Governance has been disseminated widely at Continental and Regional levels through workshops<sup>6</sup> and knowledge generation<sup>7</sup>. Yet, the awareness and skills of Parliamentarians on the New Developmental Approach to Natural Resource Governance in most of African Resource-Rich Countries remains weak. To enhance traction towards the adoption and implementation of the New Developmental Approach to Natural Resource Governance, the PAP and AWA IDEA have decided to develop a comprehensive Curriculum for PAP MP's on New Developmental Approach to Natural Resource Governance in African Countries.

h- Key targets of the Curriculum will be PAP MPs, who are also MPs in their respective Countries and sometime members of

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<sup>6</sup> Indaba Mining 2017, "Towards a New Developmental Approach to Natural Resources Governance in Africa", Cape Town, 7-8 February 2017; High Level Panel to the PAP on "The New Developmental Approach to Natural Resources Governance", 5<sup>th</sup> May 2017, Pretoria; Continental Conference on the Theme "The Issue of the Political and Socioeconomic Integration of the African Continent. The Contribution of the PAP", 22-25 August 2017, Yaoundé; and High-Level Dialogue on "Building Capacities for a Developmental Approach to the Extractive Sector in Southern Africa", 21-22 September 2017, Johannesburg.

<sup>7</sup> IDEA Information Brief, "Enhancing natural Resource Governance in Africa", July 2017.





Regional Parliaments. The programme will address their capacities to influence policy framing and formulation as well as law making in natural resource sector in African Countries; their oversight capacities – in particular levelling the playing field for the opposition to be able to hold the executive accountable; their capacities to monitor and assess implementation of developmental policies in natural resources sectors in order to achieve a sustainable socioeconomic transformation in these countries in an environment of peace and security. The programme will finally target senior staff members of PAP that are playing a critical role in the parliamentary work. It will involve particularly women and youth PAP MPs. As such, the programme will directly contribute in a practical manner, to reverse the challenges of democratic deficit and retreat, and to foster resilience of representative's institutions in (re) building participatory, legitimate, accountable and sustainable democracies on the continent. The project is therefore, in line with Aspirations 1,3,4 and 6 of the AU Agenda 2063 and its first Ten Year Implementation Plan.

i- It is expected that PAP MP's involved in the programme will generate interest for the Curriculum in Regional and National Parliaments. PAP and AWA IDEA will then develop specific training modules on New Developmental Approach to Natural Resource Governance for MPs at the Regional and National Levels.

j- It is within this backdrop that, following recommendations of the High-Level Panel to the PAP on the New Developmental Approach to Natural Resource Governance in Africa held on 5<sup>th</sup> May 2017 in Pretoria (South Africa) and of the High-Level Dialogue on New Developmental Approach to Natural Resource Governance and Fight Against Illicit Financial Flows from Africa, organized as a side event of the PAP Session of Kigali (Rwanda) on 25 October 2018, the PAP and AWA IDEA have agreed to organize – in partnership with the Department of Political Affairs of African Union Commission and with the support of Norway Cooperation - a **Needs Assessment Workshop for PAP MPs on a curriculum on New Developmental Approach to Natural Resource Governance**



**in Africa. The Workshop will take place in Kieivits Kroon (South Africa) on 9-10 August 2019, on the margins of the PAP Session.**

### **III- Objectives**

k- The overall objective of the Workshop is to identify the capacity development needs of PAP MPs in order to inform the development of Modules of the Curriculum on New Developmental Approach to Natural Resource Governance. By doing so, PAP and AWA IDEA will contribute towards the enhancement of their work in elevating the nexus between participatory democracy and development.

### **IV- Expected Results.**

l- The knowledge sharing and exchange of ideas about PAP MPs' capacity development needs will allow the participants to define a plan that could serve as the basis for future action. A report will be produced, that will capture the principal outcomes of the Workshop.

### **V- Participation.**

m- The Needs Assessment Workshop will bring together close to 30 participants including:

- Representatives of five (5) PAP Statutory Committees concerned with New Developmental Approach to Natural Resource Governance (Committee on Rural Economy, Agriculture, Natural Resources and Environment; Committee on Rules, Privileges and Discipline; Committee on Justice and Human Rights; Committee on Trade, Customs and Immigration; Committee on Cooperation, International Relations and Conflicts Resolutions);
- Key selected PAP Senior Staff Members;
- Experts;
- Representatives of International IDEA;
- Representatives of DPA / AUC,
- Head of AU Mineral Unit,





- Head of NEPAD Natural Resource Governance Unit,
- Representative of Norway Ministry of Foreign Affairs.

n- Participation to the Needs Assessment Workshop is only under invitation.

## **VI- Format and working languages**

o- The Needs Assessment Workshop will be conducted through interactive panels. The first part of the Meeting will be dedicated to validating a draft Policy paper on New Developmental Approach to Natural Resource Governance. The second part of the meeting will focus on listening to PAP MPs' priorities in terms of modules that will be the basis of the Curriculum. The working languages will be French, English and Portuguese. The PAP will provide simultaneous translation.