

**Colloquium on ‘The New Developmental Approach to Natural Resource Governance: Lessons Learnt, Experience sharing and Emerging Practices for Parliamentarians and Political Party Leaders in African Countries’**

**6 - 7 February 2018, Cape Town, South Africa**

**Concept Note**

**I. Introduction**

The Africa and West Asia Programme of International IDEA (AWA IDEA) - in partnership with the Department of Political Affairs of the African Union Commission (DPA/AUC) and the International Organization of Francophonie (OIF) - are convening a two-day colloquium on **‘The New Developmental Approach to Natural Resource Governance: Lessons Learnt, Experience Sharing and Emerging Practices for Parliamentarians and Political Party Leaders in African Countries’**. The colloquium will be held on the sidelines of the 2018 Mining Indaba in Cape Town, South Africa from 6 to 7 February 2018. The 2018 Mining Indaba will be held under the theme "Providing the Foundation for Sustainable Junior and Major Mining Growth in Africa".

**II. Background**

According to the African Economic Outlook 2017<sup>1</sup>, African countries entered the millennium with an impressive record of economic growth. Prior to the global financial and economic crisis, gross domestic product (GDP) grew on average at 5.7 per cent per annum during 2001-2008. In 2009, growth decelerated to 2.5 per cent as African economies were impacted by reduced demand for their exports in natural resources, and lower investment and aid flows to the continent. However, effective macroeconomic management, increased diversified trade and investment with emerging countries, a growing middle class, increased domestic consumption, and intensified regional integration enabled African countries to weather the impacts of the global crisis and recover with an average GDP growth rate of 3.3 per cent per annum between 2010 and 2015. Africa’s average growth remained moderate throughout 2016 (3.7 per cent) and is expected to be at 3.5 per cent in 2018.

This sustained growth cycle is mainly due to the exceptional endowment in natural resources by African Countries. The continent’s reserves of iron, platinum, cobalt, gold, vanadium and diamonds make it one of the key players in the global resource geopolitics. 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

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<sup>1</sup> [https://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/AEO\\_2017\\_Report\\_Full\\_English.pdf](https://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/AEO_2017_Report_Full_English.pdf)

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>2</sup>.

Notwithstanding these abundant natural resources, African countries remain for the most part, among the poorest countries in the world. In other words, the natural resource endowment and growth rates of these African countries have not translated into decreased poverty and inequality, more job opportunities - especially for young people, improved access to basic public services and human security. The downturn in oil prices and many other mineral resources has had a significant impact on the growth of their economies (-1.6% for Nigeria in 2016, - 0.6% for South Africa and - 8% for Angola), highlighting the fragility of mineral and oil exporting countries. Also, the Resource-Rich African countries' efforts at reforming their economies have not always resulted in the desired transition into more diversified high-productive industrial sectors. Many of their economies remain narrowly based on the production and export of unprocessed agricultural commodities and natural resources (minerals and crude oil). Only a few African countries have succeeded in structurally transforming their economies – for example South Africa, Mauritius and Morocco<sup>3</sup>. These countries achieved sustained growth of more than 2 per cent during the period 1960–2007 and were able to meet all or some of the requirements for a classical structural transformation (e.g. GDP shares of the three sectors – agriculture, industry and services, and manufacturing – increase as real per capita GDP increases). For instance, the success of South Africa in their structural transformation is most attributable to its robust mixed economy (including mining, manufacturing, food processing, clothing, tourism, infrastructure and telecommunications, increased public investment in agro-processing, automobile, steel and engineering, and promotion of its own local technological expertise).

This contrasted situation in most of the Resource-Rich Countries can be correlated to the weaknesses of institutions - particularly Parliaments, poor programmatic capacities of Political Parties, lack of consensus on national strategic interests and issues, and lack of integrity in natural resource policies<sup>4</sup>. This has often constituted one of the main sources of violent conflict, and represents a threat to the democratization process in most African states (Tana Forum 2017). The terms “resource curse,” “paradox of plenty” and “Dutch disease” have been used to describe manifestations of this negative relationship<sup>5</sup>.

There is therefore, an urgent need to strengthen the linkages between natural resource policies and reinforcement of African Countries' democratic governance institutions – particularly Parliaments and Political Parties – to achieve Sustainable Development Goals (SDGs), the Medium-Term Plan of the African

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<sup>2</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>3</sup> [http://s.mo.ibrahim.foundation/u/2017/11/21165610/2017-IIAG-Report.pdf?\\_ga=2.189786220.67805987.1513100174-1627716139.1513100174](http://s.mo.ibrahim.foundation/u/2017/11/21165610/2017-IIAG-Report.pdf?_ga=2.189786220.67805987.1513100174-1627716139.1513100174)

<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.

<sup>5</sup> Zurcom International. *Mining Markets in Southern Africa*. 2014

Union Agenda 2063, and to build democracies that deliver for Citizens in Africa. Unfortunately, the required linkages 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 through, among other things, (i) the linkage between strong institutions and sound natural resource policies; (ii) the linkage between the extractive sector and the socioeconomic transformation of the rest of the economy; and (iii) the strengthening of regional cooperation<sup>6</sup>. Yet, the AMV remains relatively unknown at country level across the continent – particularly for MPs and Political Party Leaders who are the key stakeholders of inclusive and participatory democratic development, and major questions are still pending: how to improve the linkage between democratic institutions/policies and sound management of natural resources to build African democracies that deliver for Citizens? How to strengthen the role of MPs and Political Party Leaders in the framing, definition and implementation of developmental policies in the Natural Resources Sector? How to build a democratic consensus among stakeholders on natural resource developmental policies?

### **III. Rationale.**

Since 2016, AWA 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 trying to provide responses to pending questions. The New approach implies a paradigm shift in natural resource policies in African countries characterized by:

- The need to move from a restricted tax and fiscal perspective to a more comprehensive developmental approach;
- 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 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;

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<sup>6</sup> African Union, Vision of the African Mining Regime, February 2009, 53 p.

- The linkage between inclusive, participatory and developmental natural resource policies and democratic and accountable diversification of economies;
- The proactive role of democratic institutions/actors and Civil Society Organizations in designing, implementing and promoting transparency in natural resource policies;
- 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; 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.

The New Developmental Approach to Natural Resource Governance has been disseminated widely at Continental and Regional levels through workshops<sup>7</sup> and knowledge generation<sup>8</sup>. A training Curriculum on the approach is under development and is expected to be rolled out in 2018. Yet, the Focus on country level and concrete implementation are still missing. In the same vein, awareness and skills of Parliamentarians and Members of Political Parties 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, International IDEA AWA in partnership with the Department of Political Affairs of the African Union Commission and OIF are convening a colloquium on **“The New Developmental Approach to Natural Resource Governance: Lessons Learnt, Experience Sharing and Emerging Practices for Parliaments and Political Parties in African Countries”**. Placed under the umbrella of the implementation of the principles of the Chapter IX of the African Charter on Democracy, Elections and Governance (ACDEG)<sup>9</sup>, the meeting will target six countries (Cameroon, Mozambique, Senegal, South Africa, Tanzania and Zimbabwe) as well as the Regional Parliaments that are most advanced towards the elaboration of Developmental Regional frameworks on Natural Resource Governance (SADC-PF, EALA, ECOWAS Parliament and CEMAC Parliament).

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<sup>7</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>8</sup> IDEA Information Brief, “Enhancing natural Resource Governance in Africa”, July 2017.

<sup>9</sup> This Chapter is focused on Political, Economic and Social Governance.

For AWA IDEA and its partners, democracy is not an end by itself but rather a means to create conditions conducive to respond to African citizens' growing demands for respect of their socioeconomic and cultural rights and of equity. There is, therefore, a need for a paradigm shift in the reflection and action at country level on natural resource governance to use this sector as a key leverage for inclusive, participatory and owner-based socio-economic transformation.

### **Objectives of the Meeting.**

The overall objective of the colloquium is to continue to enhance programmatic capacities and skills in public policy framing of Parliamentarians and Political Party Leaders of targeted countries and to contribute to reverse the trend of governance deficits that lead to violent conflicts thereby accentuating the continent's underdevelopment . By doing so, the organizing partners will contribute towards the enhancement of their work in elevating the nexus between democracy and development and in putting citizens' representatives at the centre of development process in these countries and Regional Economic Communities<sup>10</sup>. The specific objectives of the Meeting are to:

- Increase awareness of Parliamentarians and Political Party Leaders on the New Developmental Approach to Natural Resource Governance and on the AMV in targeted Countries and Regions;
- Create a Platform for dialogue and peer learning among Parliamentarians and Political Party Leaders on the implementation of the New Developmental Approach to Natural Resource Governance in targeted countries and regions;
- Identify institutional capacities needed and areas where AWA IDEA and its partners could provide technical assistance at country level to Parliamentarians and Political Party Leaders to elevate the implementation of the New Developmental Approach to Natural Resource Governance - particularly through the training curriculum to be developed; and
- Create a Community of Practice around the New Developmental Approach to Natural Resource Governance.

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

The colloquium is anticipated to contribute to a better understanding of the challenges and opportunities for the implementation of the new developmental approach to natural resource governance in the targeted countries. The knowledge sharing and exchange of ideas about the specific situation and contexts in different countries will contribute to a better, nuanced assessment of the overall situation, and will allow the participants to define a capacity building plan of action that could serve as the basis for future collaboration with International IDEA and other partners. A report will be produced, that will capture the principal outcomes of the meeting.

### **V. Participation.**

The colloquium will bring together close to 35 participants including:

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<sup>10</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.

- Head and Members of Parliamentary Commissions in charge of Natural Resource Governance and Political Party Leaders in targeted countries;
- Representatives of SADC-PF, EALA, ECOWAS Parliament and CEMAC Parliament;
- Representative of DPA/AUC and partner organizations;
- Natural Resource Governance Experts.

## **VI. Format and working languages**

The colloquium will be conducted through interactive panels. The working languages will be French, English and Portuguese. Simultaneous Translation will be provided.

## **VII. Contacts.**

For more information on the Working and Experience Sharing Session, please contact:

### **For IDEA**

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