CAPACITY DEVELOPMENT FOR NATURAL RESOURCE MANAGEMENT
Findings from the 2013 Africa Capacity Indicators Report (ACIR)

Kobena T. HANSON
Head, Knowledge & Learning, African Capacity Building Foundation (ACBF)

NSI Ottawa Forum
Governing Natural Resources for Africa’s Development
May 9-10, 2013: Ottawa, Canada
Outline

I. Context of Africa today
II. Assessing capacity
III. ACIR2013 Capacity to Manage Natural Resources
IV. New Normative and Policy Environment
V. Conclusion
I. Africa, moving at multiple speeds

- High average annual economic growth but lower real per capita income today than in 1970 and more than 500 million still live in poverty

- Dependency on external/food aid co-exists with growth in domestic revenues and food surpluses in many countries

- Abundant natural resources only partially exploited, vast market potential

- Deepening of political and economic reforms and renewed interest due to new discoveries and new players

- Rich debate on the balance of roles between the state, MNCs, CSOs and local communities
II. Assessing Capacity - A Flagship Publication

Why measure capacity?
- To better plan, manage, implement and account for results of policies and programs
- To effectively integrate capacity development objectives in development strategies and agendas for service delivery
- To gauge achievement on key policies and programs
- To understand underlying factors driving change and to foster change in areas identified as priority

ACBF’s definition of Capacity?
- Having the aptitudes, resources, relationships, and facilitating conditions needed to act effectively to achieve specified mandates
- Conceptualized at three levels—individual, organizational, and enabling environment (interactions between individuals and organizations)
- It takes meaning in specific settings (capacity for what?)
ACIR2013 – An Overview

• **No of countries**
  - 44 (South Sudan data collected, not included)

• **Source of data**
  - **Primary data** collection by in-country experts — build capacity for assessment and data collection, conduct the country policy and institutional self-assessment
  - **Background papers** call sourcing globally — get the best ideas on a competitive basis
  - **ACBF (K&L)** pulls it all together — knowledge function, unique skills, relevance to operations

• **Analysis and write-up**
  - ACBF, ERG,
III ACIR 2013 and Capacity for NRM?

• Africa is rich in stocks of materials that exist in the natural environment (natural resources):
  • Only 2 island nations do not have ‘natural resources’
• Natural resources contribute to growth, employment and fiscal revenues, but they need to be managed well
• Governance of natural resources is especially crucial in the context of:
  • Divided societies or where there is ethnic conflict; poor or highly unequal societies
• Failure to govern well renders natural resources a "curse", so it is vital to examine the status of NRM and the capacity challenges
New Moment/Dispensation in NRM in Africa

• Legacy of Old NRM Landscape
  – Asymmetries of weak states vs. strong external actors – MNCs
  – Often low/erratic commodity prices, unfair terms of trade
  – Weak bargaining capacity, systems of taxation, lack of transparency
  – Windfall rents (when realized) extracted for benefit of elites
  – Lack of economic diversification and shared growth
  – Unmitigated environmental damage; socio-cultural displacement of affected communities; and conflict/flare-ups of violence
  – Discrediting of NR-based development as viable model of national well-being
Emergence of New Developments & Possibilities

• Growing state coherence with strong NRM policy frameworks; increasing regional/sub-regional integration and linkages
• High, if still erratic, commodity prices (likely to continue?)
  – Driven by BRICS
• Enhanced technical skills (law, science, mgt); recognition of need for training programs
• Greater sophistication and political will to bargain
  – EITI, Revenue Watch, PWYP, etc.
• New configurations of dialogue (public, MNCs, CSOs, and locals)
• Extensive discussion of value chains/jobs; development of SWFs
• Disciplinary effects of public expectations, external scrutiny, and democratic norms
  – Rejection of blood diamonds, conflict timber, abuses of MNC oil and gas extraction; Africa-wide initiatives (e.g. APRM, AMV, CDSF); many multilateral efforts (AfDB, WB); industry self-policing initiatives
Strategic use of natural resources for needs of today and tomorrow

Source: Computed from ACI 2013 database
Policy environment and efficiency of instruments for managing natural resources

Source: Computed from ACIR 2013 database
Effective dialogue between the state, the extractive industry and the surrounding community – mechanisms for social inclusion

There is a network of CSOs working to give citizens the ability to influence decisions on NRs by promoting access to information, participation and justice in...

A national dialogue platform is established

There is a cross-sectional (public, private, CSO, indigenous groups) forum/dialogue mechanism where decisions on natural resources management...

The legislature has the mechanism to execute its mandate in environmental governance

The Civil Society Organizations have space/freedom to execute their mandate

The country has put in place a mechanism to facilitate transparent and legal trade in natural resources

Source: Computed from ACIR 2013 database
Harnessing revenue from resource extraction to support national public goods (education, employment)

- Government funds educational & training institutions, R&D and public sector institutions in minerals sector
- The contribution of the NR sector to total employment is more than 10%
- There are tailored training and development programs
- Education and training programs are aligned towards Africa Mining Vision and industry needs
Results in Four Clusters of Capability in 2013: Steady progress but big needs in dynamic CD outcomes

<table>
<thead>
<tr>
<th>Level</th>
<th>Policy Environment</th>
<th>Processes for Implementation</th>
<th>Development results</th>
<th>CD Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Low</td>
<td>0.0%</td>
<td>0.0%</td>
<td>2.3%</td>
<td>72.7%</td>
</tr>
<tr>
<td>Low</td>
<td>0.0%</td>
<td>0.0%</td>
<td>15.9%</td>
<td>22.7%</td>
</tr>
<tr>
<td>Medium</td>
<td>0.0%</td>
<td>13.6%</td>
<td>56.8%</td>
<td>2.3%</td>
</tr>
<tr>
<td>High</td>
<td>15.9%</td>
<td>63.6%</td>
<td>22.7%</td>
<td>2.3%</td>
</tr>
<tr>
<td>Very High</td>
<td>84.1%</td>
<td>22.7%</td>
<td>2.3%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Achievement in capacity for good policies
Progress in processes of implementation
Development results slow to follow
Challenges building dynamic capacity
Revised NRM Landscape

• A new, more complex, more evidence-based, more participatory vision of NRM
• This vision of NR-based development has a much more diversified & empowered portfolio of stakeholders and actors
• The implication is that real growth and transformation based on natural resources is possible
  – Resource curse is not inevitable
  – Shift emphasis to issues of capacity, leadership, knowledge-sharing and good governance
Country Experiences

- **Liberia**: forestry sector – used policy, institutional building, and operation responses to curb corruption illicit timber trade
- **Mozambique**: forestry sector – cancelled/reduced land areas of 1500 investors due to non-compliance with investment plan
- **Nigeria**: statutory backing for the EITI
- **Angola, Nigeria**: SWFs – following in steps of Botswana to invest resource wealth for future generations/public good
  - Ghana, Kenya, Tanzania, Uganda, & Mozambique also established/ planning to
- **Ethiopia**: higher education – building capacity of HE staff in NRM and eco-tourism
- **Sierra Leone**: institutional capacity building driven by NRM
IV. New Normative & Policy Envt.

- The entire portfolio of stakeholders is also subject to a **new normative environment** as evidenced by the strong NRM policy environment emerging across Africa.
- Policies frame the sphere of potential constructive action – as the report notes, there are now **new spaces for agency**.
- But agency is **unrealized potential**. So what to do?
  - Build capacity for all actors and stakeholders: individuals, communities, organizations, CSOs, MNCs, States, etc
  - Be mindful of country context: sequencing is key!!

- **In ACIR eyes**: move forward along the path from
  a) Policy environment
  b) Processes for implementation
  c) Development results at country level
  d) Capacity development outcomes
IV. Conclusion...

- State of NRM capacity, good... but more needs to be done
- Capacity for all stakeholders involved in NRM value-chain (prospecting, extraction, processing, marketing, management) need enhancing
  - Transformational and development-oriented leadership
  - Independent, accountable and transparent regulatory institutions
  - Deepened capacity building interventions (for learning/experience sharing)
  - Coordinating and integrating planning agencies
- Political will to engage in capacity development is vital
- Observed “winds of change” not only mirror the ACIR index scores on NRM, but also the observed economic growth patterns, improved HDI, and enhanced governance and transformative leadership stories emanating from the continent

Thank you for listening!

Merci de m’avoir prêté votre attention