Post-2015 Natural Resource Governance in Africa: African Agency and Transnational Initiatives to Advance Developmental States

by

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The second decade of the 21st century may finally see Africa’s sustained rise, especially post-2015. The Economist (2013) recently published “Emerging Africa: A Hopeful Continent,” a special report whose title is symbolic of the times. Economic growth, however, will not translate into sustainable development unless the governance of natural resources is improved on the continent and worldwide (Bilal 2013). A decade after Thandika Mkandawire (2001) first highlighted the salience of natural resource governance, Africa’s economic agencies—the United Nations Economic Commission for Africa, African Development Bank, African Union, and United Nations Development Programme—have come to advocate the adoption of policies leading toward “developmental states” that are actively engaged in structural economic transformation (Singh and Bourgouin 2013). One key development is the articulation of the Africa Mining Vision (AMV), a transnational initiative formulated by African ministers to make mineral extraction contribute broad, long-term development that was adopted by heads of state at the February 2009 African Union summit (see AU 2009; 2012; UNECA 2011b). Assorted global developmental, environmental, financial, and industrial agencies are articulating their own strategies to try to seize the spirit of the times, which include intra- and inter-regional as well as uni- and multi-sectoral efforts.

This policy brief sketches the background for this remarkable shift toward sustainable development and analyzes the prospects for AMV advocacy and implementation by state and non-state actors. It relates to the emerging agency versus dependency debate (see Brown 2012; Brown and Harman 2013; Harman and Brown 2013; Lorenz and Rempe 2013) to better understand the character of contemporary natural resource governance in Africa. It focuses on the ongoing commodities boom in energy and minerals to investigate forms of African Agency, demonstrate how transnational initiatives relate to sustainable development on the continent, and what can be done to advance developmental states going forward.

**African Agency**

Five recent major developments exemplify African agency but also indicate that the character of African development is very much in flux. First, African stakeholders have been central to the implementation of innovations in transnational governance including corporate social responsibility (CSR), however problematic it may be (Cornelissen 2013). Important recent CSR initiatives include the Extractive Industries Transparency Initiative (EITI) launched in 2002, the Kimberley Process on conflict diamonds established in 2003, and the Dodd-Frank Wall Street Reform and Consumer Protection Act—which features section 1502 on conflict minerals, known as the Cardin-Luger Amendment—signed into law in the United States in 2010.
Second, African stakeholders have initiated a series of innovations, such as the Maputo Corridor, trans-frontier peace parks, and the Tripartite Free Trade Agreement between the Southern African Development Community, East African Community, and Common Market for Eastern and Southern Africa (Hartzenberg et al. 2012). Third, South Africa was invited in 2010 to become the fifth member of the BRIC grouping that brings together emerging economies from the South, making the grouping the BRICS (Brazil, Russia, India, China and South Africa). This raises questions about the priorities of Africa’s dominant political player and its leadership aspirations at the regional, continental, and global levels (see Flemes 2010; Nel and Nolte 2010; Nel, Nabers, and Hanif 2012). Fourth, African diasporas concentrated in Europe and North America, which provide large amounts of remittances that have proven to be remarkably resilient, are likely to become even more influential in the years ahead (Ratha et al. 2011). Finally, albeit controversially, gangs and informal militias can be considered novel forms of African agency, particularly in de facto regional conflict zones like the Great Lakes, the Horn of Africa, and the Sahel, as well as in the energy and mineral sectors (see Bagayoko 2012; Besada 2010; Klare 2012). Such agency should not only be included in analyses, it needs to be formally redefined to reflect realities in Africa since the continent has become a burgeoning part of the global South (UNDP 2013; UNECA 2011a; 2012).

The AMV as African Agency?

The most dramatic transformation in the African natural resource policy landscape to date is the adoption of the AMV and its associated Action Plan two years later in 2011, which together can be understood as emblematic of the ongoing redefinition of energy and natural resource governance among emerging African developmental states. The tenets of energy governance have been reformulated by Ann Florini and Navroz Dubash (2011), Andreas Goldthau and Jan-Martin Witte (2010), and Caroline Kuzemko et al. (2012), who have built on generic notions of transnational private governance, so that they can be applied across regions and sectors. Improved natural resource governance has been advocated by Africa’s inter-state agencies and such governance has indeed been improving (Shaw 2012; UNDP 2013). But the AMV faces serious competition from several alternatives—regional, continental, and global initiatives, sectoral, multi-sectoral, and multi-stakeholder efforts, not to mention generic CSR and the far-reaching Dodd-Frank Act.

The AMV preceded the Mining Policy Framework (MPF) of the Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development, a compendium of best practice principles related to mining that was tabled in 2011 and is currently endorsed by 48 countries. The Natural Resource Charter (NRC), a global initiative launched in 2010 and adopted by the New Partnership for Africa’s Development as a
flagship program in 2012, contains 12 economic precepts on how to best manage natural resource opportunities for development. Both are challenged by the EITI, which is particularly timely given the dangers of the “resource curse” and windfall profits linked to the BRICS’ demand for energy and minerals, in terms of the scale of finance, given its extensive multi-stakeholder network of governments, companies, civil society organizations (Global Witness, Publish What You Pay, Oxfam, Revenue Watch, Transparency International), and investors like financial institutions, pensions funds, and sovereign wealth funds. With regard to Dodd-Frank, the US Securities and Exchange Commission (SEC), in association with the International Conference on the Great Lakes Region, a regional African intergovernmental organization that promotes sustainable peace and development, and a number of local and global non-governmental organizations, is imposing new norms and publicly ranking corporate compliance in the information technology sector with regard to conflict minerals emerging from the Democratic Republic of the Congo, specifically tin, tungsten, tantalum, and gold. The corporate sector’s International Council on Mining and Metals, the 34-country Organisation for Economic Co-operation and Development (OECD), and the World Economic Forum have each generated their own rules for natural resource governance: the Resource Endowment initiative, Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas, and the Responsible Mineral Development Initiative, respectively. The question is how compatible and cumulative are all these documents with natural resource governance in Africa? Notably, the United Nations Global Compact, a mechanism and framework launched in 2000 that asks companies to embrace universal values in the areas of human rights, labour standards, the environment, and anti-corruption, and Global Reporting Initiative, a non-profit organization established in 1997 that promotes the use of sustainability reporting to get companies and organizations to contribute to sustainable development, both continue their respective work.

The AMV was developed in late 2008 by African ministers responsible for mineral resources development to advocate sustainable development and facilitate industrialization. Building on the 1980–2000 Lagos Plan of Action for Economic Development of Africa and seeking to accelerate progress on the MDGs, it focuses on a mix of established and novel issues: the environment, artisanal and small-scale mining, CSR, maximization and management of tax revenues, research and development, and sustainability via backward and forward linkages to secure benefits for Africa itself. Importantly, it prioritizes economic and social linkages through the better integration of mining into development policies at the local, national, and regional levels, a detailed five-year business plan has been introduced, and the Africa Mining Development Centre was recently established. Compared to the MPF and Dodd-Frank, it embodies a different mix of objectives that include and impact Africa with their focus on regional cooperation, policy development, and research and
development (Bilal 2013). Given its strictly African character and multi-level efforts, the AMV should be considered a new form of African agency, one that signifies a reset on the continent and a desire to take charge on the paradox of plenty alongside pervasive poverty.

Each of the five major transnational initiatives—the AMV, EITI, Dodd-Frank, MPF, and NRC—entails different assumptions, preferences, and plans. Is an agreeable, productive, and sustainable division of labour among them even possible? In terms of geographic scope, Dodd-Frank is the most regional yet narrowest in target, though it has implications for major information technology corporations in Asia and elsewhere, while the AMV is continental and the NRC is the most global. Regarding types of actors, the MPF is the most state-centric and green followed by the AMV, which is driven by intergovernmental agencies including those of some OECD countries, whereas Dodd-Frank presents challenges for multinational corporations. In terms of sectoral focus, Dodd-Frank is focused on selected high-tech minerals, while the EITI is preoccupied with finance. And in relation to anti-corruption, the EITI is hegemonic. The EITI and NRC are primarily endorsed by OECD countries, particularly the Group of Eight, though 23 of the 44 implementing parties to the EITI are African, with 14 being compliant, Central African Republic, the Democratic Republic of the Congo, Madagascar, and Sierra Leone having been suspended, and the rest being candidates seeking validation. Group of Twenty countries, many of which have large mining sectors, are more supportive of the MPF over the AMV. A brief survey of these five initiatives demonstrates the heterogeneous and dynamic range of natural resource governance arrangements currently in place, the challenges for African agency embodied in the AMV, but also the fact that together these initiatives enhance prospects for sustainable development in Africa.

**Advancing Developmental States**

Potential comes with challenges, especially with regard to the distinctiveness of African developmental states post-2015. For both practitioners and observers, a pertinent challenge is conducting innovative analyses and policies going forward, since “innovative” state and non-state perspectives are increasingly demanded and expected. Simultaneously, the focus of regional development in Africa is shifting from intergovernmental economic programs to techno-economic paradigms that support newer technologies and emerging sectors, particularly those concerned with energy and water (Cornelissen, Cheru, and Shaw 2012). Embracing African agency by exploring homegrown policy prescriptions and maintaining country ownership of enacted policies is vital to maintaining distinctiveness, but engaging with major transnational initiatives is also integral to the continent’s success.
Africa stands at a crossroads in terms of governance for development. The continent has become the focal point of innovative sources of finance and styles of governance, which has resulted in much optimism (Hanson, Kararach, and Shaw 2012; UNECA 2009), but the persistence of violent conflicts as well as fragile and failed states has led to skepticism and some pessimism (Brock et al. 2012). What balance can countries strike by 2020 and what can be expected in the longer term? The catalytic role of a new generation of capable African policy advocates is central to seizing and extending the fleeting opportunities inherent in natural resource endowment (Bilal 2013). Various forms of African agency, including the AMV, will be key to advance developmental states.

For Africa to successfully advance developmental states, explicit and implicit policy directions need to be pursued by state and non-state African and external actors alike beyond 2015 in a logical and cumulative sequence. The focus should be on transparent and accountable regulation for sustainable development rooted in the AMV but augmented by other transnational initiatives. Given its homegrown roots and compatibility with the advancement of developmental states, the AMV should take precedence in policy-making but be reinforced by Dodd-Frank, MPF, NRC, and other initiatives. The EITI should be used to maximize transparency and minimize leakages to offshore financial centres and associated institutions. Sovereign wealth funds should be encouraged to mitigate the risks of the resource curse and inflation. With important lessons having been learnt from difficulties and mistakes in North and West African, the embryonic East African energy region should be developed via appropriate infrastructure and technologies. Agency implies African ownership—if agency is ignored, the promise of a sustained rise will prove illusory. Still, Africa can demand that laggard governments, like the Canadian government, catch up with the United States, European Union countries, and others in the OECD in terms of CSR on natural resources, including going beyond the Kimberley Process toward Dodd-Frank.
References

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