African Natural Resources Center progress brief

2014-2016  The first 2 years
“As a bank, we support the need for greater accountability and transparency in how natural resources are managed in Africa. That is why we established the African Natural Resources Center with a mandate to assist African countries with policy advice, technical assistance, advocacy and knowledge development for the management of their natural resources.”

Dr. Akinwumi Adesina
President, African Development Bank
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Statement by the Director
When the African Natural Resources Center (ANRC) became operational in 2014, a team of experts in policy analysis and renewable resources was formed, to be joined later by extractives experts. This original team adopted a dual approach to the program of work — designing a strategy and business plan while developing practical policy tools and gathering empirical knowledge to enable the Center to carry out its mission. The mission focuses on boosting the capacity of African countries to manage natural resources for improved development outcomes through the African Development Bank’s (AfDB) 'high 5' strategies: light up and power Africa, feed Africa, industrialize Africa, integrate Africa and improve the quality of life for the people of Africa.

The team also immediately went to work, identifying demand from African countries for advocacy, knowledge building and advisory support. The activities highlighted in this brief cover work carried out in respect to these workstreams over the last two years. They speak to ANRC’s alignment with the High 5 strategies, the demand for the Center’s support from countries, the enormity of the task and the timeliness of the Bank’s creation of the Center.

Sheila Khama
Director, African Natural Resources Center
African Natural Resources Center
2-year overview

Established in 2014, ANRC has already reached some significant milestones. Here is a summary of ANRC’s activities and achievements over the last 2 years:

- ANRC produced 5 case studies, 2 policy guidelines, and commissioned 3 multi-sector studies on natural resources management.
- ANRC has organized 13 workshops and seminars as well as supported country dialogue, advocated for natural resources management and contributed to the agendas of high-level international conferences and events such as WEF Africa, the World Bank Annual Meetings and the Africa Mining Indaba.
- In June 2016, the Center inaugurated its internal seminar series, which takes place every month and focuses on natural resources policy.
- ANRC implemented capacity building programs in 4 countries and 2 regional bodies.
- The ANRC team includes 12 experts in its sectors of focus.
- ANRC has partnered with departments of the Bank to mobilize more than US$20 million from internal resources and 6 external partners to fund country programs.

ANRC was launched in 2014.
"There is certainly a lot of demand from countries for enhancing their capacity to negotiate. African Legal Support Facility's approach is to partner with other institutions, including the ANRC, to bridge this gap.”

Stephen Karangizi
Director, African Legal Support Facility
Setting up shop
Operationalizing the Center

In October 2013, the Board of the African Development Bank approved the creation of ANRC. The Center’s current team consists of economists and experts in renewable and non-renewable natural resources who are headed by a Director. This structure reflects the Center’s mandate, which combines policy advice and technical assistance.

The team developed a six-year strategy approved by the Board in 2015. The strategy has two core pillars.

Integrated natural resources management to balance development of renewables and non-renewables through proper planning

The Center’s first strategic pillar advocates for an integrated and long-term approach to natural resources exploitation. This includes helping African countries understand the economic and environmental trade-offs associated with developing different resource types, providing the right tools to assist governments in mitigating environmental impacts and ensuring the sustainability of renewable resources. This is aligned to the Bank’s green growth and regional integration strategies.

Good governance of natural resources to support negotiations, domestic linkages and transparency through public participation

Under the second pillar, ANRC advocates for accountability and public participation and provides strategic advice for negotiating concessions and commercial agreements. In support of the Bank’s "Industrialize Africa" strategy, the Center helps design policies for promoting domestic linkages through multi-user, multi-purpose infrastructure projects and policies that leverage supply chains to stimulate manufacturing, small and medium enterprises (SMEs) and service industries. This is essential to improve the lives of Africans and develop the continent’s economies.

This 6-year strategy is the basis for a 3-year business plan, estimated financial requirements and expected outputs.
ANRC operating structure

Knowledge building
   (advocacy, products, case studies, knowledge seminars)

Policy, economics & analytics

Renewables
   Illicit trade, nutrition, food security

Forestry, land & water
   Conservation, green growth, resource access

Non-renewables

Mineral, oil & gas
   Industrialization, regional integration, energy, environmental protection, negotiations

Country programs
   (capacity building, policy advice, technical assistance)

Regional Member Countries (RMC), Regional Economic Communities (REC), African Union (AU) initiatives (Africa Mining Vision (AMV), Land Policy Initiative (LPI), etc.), Civil Society Organizations (CSOs), Investors
Internal capacity building

Having the internal capacity to deliver its mandate is a critical success factor for the Center. Therefore since its inception, ANRC has emphasized building the team’s capacity. This is essential for ANRC to provide support and add value to departments that lead the Bank’s High 5 strategies while working with its partners. The Center has focused on developing tools and guidelines to engage and support African countries as well as building in-house knowledge. The goal is to strengthen the Center’s capacity to respond to challenges facing African countries. The internal capacity building exercise is a long-term undertaking that is expected to evolve with the needs of our clients and stakeholders.

Our internal capacity building work has led to:

- The first set of policy tools to engage African governments to grow demand and collaborate with donors;
- Policy options with clear trade-offs to advise policymakers;
- In-house knowledge and ability to respond to policy and strategic challenges facing African governments;
- Practical solutions for the implementation of natural resources policies;
- Capacity to contribute to the African Development Bank’s High 5 strategies.
“The team thought long and hard about the best way to harmonize renewables and non-renewables. In the end it became clear that a structure that enables a team of policy analysts to continuously develop tools and generate knowledge to feed into country programs for all resources is the optimal approach.”

*Sheila Khama*
Director, African National Resources Center
Rolling out our operations

Over the last 2 years, ANRC has implemented programs of support to governments in a number of countries in collaboration with other departments of the Bank, development partners, civil society and knowledge institutions. The goal is to strengthen institutional capacity, provide strategic advice and generate knowledge to help African governments better manage natural resource wealth.
Knowledge building

As a knowledge center, ANRC gathers information and conducts analytical studies to improve the understanding by governments of policy challenges and opportunities facing African countries. The work generates options to support fact-based policy decisions. By creating a wealth of information on trends and the status of natural resource policies in Africa and elsewhere, the Center has been able to determine appropriate interventions and design practical solutions to capacitate governments.

ANRC has produced five case studies for governments to use as benchmarks on revenue management options, promoting linkages between SMEs and resource projects, local content initiatives and public-private partnerships (PPPs) in health. Three other studies on fiscal policies and PPPs will be published by the end of 2016. These studies will also offer helpful benchmarks for improving the lives of citizens.

The Center co-produced a joint AfDB/Bill & Melinda Gates Foundation (BMGF) study of six countries with recent extractives discoveries. The findings provide policy choices to guide African countries in leveraging extractives projects to enhance health, education, infrastructure and domestic linkages.

In order to assist governments to effectively respond to the EU’s legal requirements and efforts to combat illegal fish imports, the Center has produced a simplified tool for compliance with EU fisheries regulations and protect revenue derived from the exports.

The Center has completed a study of policies and mechanisms for promoting water-based tourism to guide governments in designing policies that capitalize on water basins.

ANRC conducted a review of the draft petroleum and energy policies in Kenya and Tanzania. The Center provided recommendations and comments aimed at improving regulatory effectiveness.

ANRC partnered with the African Legal Support Facility (ALSF) and designed a process and strategic framework to guide national teams in negotiating concessions and commercial agreements with investors.

ANRC has developed a step-by-step guide for designing, implementing and monitoring local content policies.
ANRC provides advisory services that respond to country and regional capacity building needs. Our knowledge and expertise not only supports capacity building but also informs policy direction. Most importantly, ANRC provides strategic options for governments during negotiations with investors.

The Center teams up with regional and international knowledge institutions to administer training, conduct knowledge seminars and carry out advocacy programs. By working with other institutions, the Center increases its own capacity through its network of global and regional partners.

Examples of our knowledge seminars include:

- A local Content Policy Roadmap seminar with Sir Paul Collier, author of *The Bottom Billion*, at the 2016 African Mining Indaba conference in Cape Town, South Africa;

- A 2-day workshop in South Africa attended by over 45 civil society organizations (CSOs) from 30 countries in Africa to discuss policies on gender, resources governance, land rights and transparency;

- A seminar to launch a joint AfBD/BMGF report on leveraging natural resources revenues for human development at the World Economic Forum in Cape Town in 2015. A pre-launch information seminar and panel discussion on the report was also held at the 2015 African Mining Indaba in Cape Town;

- A series of monthly internal seminars discussing subjects such as natural resources value chains, local content, negotiations, combating illegal fishing and revenue management, launched in 2016;

- A joint seminar with ALSF on natural resources negotiations for government officials from approximately 40 countries in Pretoria, South Africa in 2015;
“The Graça Machel Trust is very grateful to the African Development Bank for the initiative and recognition of CSOs as players in shaping policy. It’s rare for such an important institution to create a platform in which CSOs can bring to the table their knowledge, expertise and the aspirations of their constituencies to shape policy.”

Graça Machel
Founder, Graça Machel Trust and advocate for women’s and children’s rights
Advocacy

The purpose of the Center’s advocacy work is to promote governance and provide information on the changing nature of governance in natural resources. Our work paves the way for constructive dialogue between governments and the public, policymakers and CSOs.

The Center’s engagement with CSOs has resulted in the identification of issues in which ANRC can help capacitate CSOs to contribute to inclusive growth through Africa’s natural resources.

The impact of advocacy takes long to manifest. On the other hand, tools for monitoring impact are complex and time consuming. Therefore, the merits of such initiatives are justified on the basis of the potential opportunity cost and risk rather than short term results. In the last two years the Center has undertaken the following advocacy events and initiatives:

June 2014
ANRC represented the AfDB at the G7 Connex initiative, hosted by the Africa desk of the German Chancellor’s office. The goal was to agree on ways to collaborate and support developing countries in negotiating complex natural resources deals.

January 2015
The Center participated at three events hosted by KAPSARC in Maputo, Dar es Salaam and Kampala. The Center contributed draft policy briefs on local content and revenue management. A follow-up session is planned for September 2016 at the OCP Policy Center in Rabat, Morocco.

February 2015
ANRC led a Bank-wide team and held an event on resource sharing to promote inclusive growth as well as an event on mining sector policies that have direct impact on human development at Africa’s largest annual mining convention, the Mining Indaba conference in Cape Town.

April 2015
May-June 2015
ANRC hosted regional consultative meetings to facilitate contributions to its strategy in Abidjan, Addis Ababa, Cape Town and Rabat. Participants included policymakers, CSOs, the private sector, knowledge institutions and development partners.

June 2015
The Center participated in the Annual Conference of the Natural Resources Governance Institute (NRGI) hosted by Oxford University and partly funded by DfID.

July 2015
As a member of the international advisory group, ANRC represented the Bank and contributed to the development of a blueprint for a proposed initiative to improve transparency in the fisheries trade, the Fisheries Transparency Initiative (FiTI) in Berlin, Germany and Nouakchott, Mauritania.

2014-2016
As part of the Center’s work in the Technical Committee of the AUC, namely the LPI, and the AMV, the Center has contributed to periodic policy dialogue on land and extractives governance.

6 October 2015
ANRC hosted a panel discussion on means by which African countries can better leverage extractives projects to improve human development during the First ECOWAS Forum on Mining and Petroleum in Accra, Ghana.
10-11 November 2015

In collaboration with the Graça Machel Trust, the Center organized a conference of African CSOs to identify potential areas of support by the Center. The goal was to foster constructive dialogue and public participation in natural resources policy design and implementation.

3-4 February 2016

As a member of the international advisory group advocating for transparency in fisheries, ANRC contributed to the drafting of the "Nouakchott Declaration", adopted by governments, CSOs and the private sector as the blueprint for establishing FiTI.

7-11 February 2016

The Center coordinated the participation of the Bank’s Development Research Department, Private Sector Department, Africa50 and ALSF at the 2016 Annual African Mining Indaba Conference held in Cape Town, South Africa, positioning African countries as attractive investment destinations and co-hosting a number of side events.

“The emerging partnership between the Bank’s Governance Department, regional offices and ANRC bodes very well for the needs of members states.”

Tonia Kandiero
AfDB Resident Representative, Tanzania.
Images (from left to right)
1. The ANRC team during a consultation seminar on the six-year strategy at the 2015 AfDB Annual Meetings in Abidjan, Côte d’Ivoire
3. His Majesty Kgosi Leruo Molotlegi, King of the Bafokeng Nation, South Africa speaking at the ANRC co-hosted panel on supporting resilient communities as part of the “Indaba Sustainability Day” during the 2016 African Mining Indaba in Cape Town, South Africa
4. The AfDB exhibition booth at the 2016 African Mining Indaba in Cape Town, South Africa
“It is important to admit that managing the ocean and its resources needs a collective or collaborative effort by all member states of the Fishery Committee for the West Central Gulf of Guinea.”

**Hon. Hanny-Sherry Ayittey**
Minister of Fisheries and Aquaculture, Ghana
“The most important challenge we face [in mining projects] is how we deal with expectations. In Guinea we have been assisted by the African Development Bank to develop a local content policy for one of the biggest projects we have in the country.”

H.E. Abdoulaye Magassouba
Minister of Mines and Geology,
Guinea-Conakry
Country support programs

As part of the Bank’s Ten Year Strategy and the High 5 strategies, ANRC supports countries in building their capacity to manage natural resources sustainably. Core programs include:

- Combating illicit trade of fisheries and timber to increase export trade,
- Strengthening natural resources governance through public participation,
- Facilitating compliance with EU fishing regulations by ECOWAS member states,
- Developing SMEs through domestic linkages, and
- Strengthening regulatory frameworks and the capacity to negotiate.
As part of the country strategy papers of the Bank, ANRC has been working closely with ALSF, regional offices and lending departments of the AfDB in the following initiatives:

**GUINEA-CONAKRY**
Capacity building support and provision of strategic advice to the Government of Guinea on a US$20 billion iron ore mine, rail and port infrastructure project. A joint project with the AfDB Governance Department and the ALSF, the support includes legal advice, negotiations, project management, local content policy and a land tenure policy to govern land rights and claims for compensation. The estimated cost of the project support is US$7 million over three years and will be carried out in collaboration with the World Bank and IFC Support Services.

**ECOWAS**
Support to six ECOWAS member states to build institutional capability to combat illegal fishing. The initial focus has been on Illegal Unregulated Unreported (IUU) fishing and compliance with EU import laws.

**TANZANIA**
Together with the Governance Department of the AfDB and ALSF, a joint program of support for the gas sector, which focuses on the domestication of gas consumption, implementation of a cross-sector local content policy and strengthening the capacity of a national team to negotiate with investors on the development of a multi-billion USD natural liquid gas project. The estimated capacity building budget is USD$10 million over three years.

**CONGO-BRAZAVILLE**
Design of a national wood certification scheme, support domestic linkages with SMEs, guide local content policy formulation and institutional capacity building in forestry. The project budget is US$4.1 million and is part of the Bank’s Congo Republic business climate and forestry governance program.

**MAGHREB REGION**
Capacity building support to the Arab Maghreb Union to combat desertification, including a study on best practices.

**SOUTH SUDAN**
A program to establish an inventory unit for forestry administration as well as a forestry sector review to improve forest resource management as part of South Sudan's US$1.4 million grant from the African Development Fund Transition Support Facility (TSF) for a forestry governance support program.

**ECOWAS**
Support to six ECOWAS member states to build institutional capability to combat illegal fishing. The initial focus has been on Illegal Unregulated Unreported (IUU) fishing and compliance with EU import laws.
Mobilizing resources and building partnerships

ANRC partners with others to mobilize resources for its programs. Internally, the Center leverages AfDB trust funds and country program budgets available to the Bank’s lending departments.
Looking forward

ANRC is poised to scale up its capacity building support for African countries and contribute towards the High 5 strategies. This will be achieved by providing practical toolkits and policy guides, designing knowledge products and providing technical assistance for the implementation of policies on combatting illicit trade, downstream processing, regional skills development, domestication of gas consumption, land tenure and gender parity among others.

The Center will also expand its team with the appointment of additional experts.
Some of ANRC’s future interventions include:

**Country support**

- Design of a national wood certification scheme in the Republic of the Congo
- Support for the ratification of the FAO "Agreement on port states measures, to prevent, deter and eliminate IUU fishing"
- Support for the design and implementation of a regionally integrated petroleum sector, vocational skills development and a labor policy framework for the Northern Corridor Integration Project initiative between Burundi, DRC, Ethiopia, Kenya, Rwanda, South Sudan, Tanzania and Uganda
- Support to the Arab Maghreb Union in combating desertification, including the setting up of an early warning system.

**Advocacy**

- Two multi-sector reports on a) illicit trade, b) natural resources value chains to support industrial policy design and one report on c) conflicting water use management.
- A workshop to present guidelines on the EU anti-IUU fishing regulation and on the Port States Measures Agreement to improve sector governance
- A workshop to discuss the region’s position on the FITI implementation in Indian Ocean countries and islands
- A comparative study on Botswana’s and Rwanda’s land tenure policies and land administrative systems
- **One** case study on Egypt’s domestication of gas consumption and **three** case studies on the local content policies in Angola’s petroleum sector, Morocco’s mining sector and Nigeria’s oil sector