

African Natural Resources Center

**CATALYZING GROWTH AND
DEVELOPMENT THROUGH EFFECTIVE
NATURAL RESOURCES MANAGEMENT**



AFRICAN DEVELOPMENT BANK GROUP

African countries will be better able to leverage their natural resources for inclusive and sustained growth



-  Oil
 Oil / Petroleum / Natural Gas / Petroleum Products / Crude Oil
-  Metals + Minerals
 Iron / Ore / Phosphates / Aluminium / Uranium / Copper
-  Precious Metals + Minerals
 Gold / Diamonds / Platinum
-  Wood products
 Timber
-  Fisheries
-  Land
 Agriculture / Regional & Urban Planning / Nature Reserves

Responding to a need, leveraging wealth, generating opportunity: an introduction to the African Natural Resources Center

The African Natural Resources Center (ANRC) is a non-lending entity established by the African Development Bank (AfDB) to boost the capacity of African policy makers to manage natural resources for improved development outcomes. ANRC is the focal point for the Bank's activities in the sector, collaborating with African governments, regional institutions, private sector, civil society organizations (CSOs) and donors.

Through the Center, African countries are better able to leverage the continent's natural resources for inclusive and sustained green growth. Specifically, the Center provides institutional capacity building, policy advice, strategic guidance on investments and negotiations, and targeted technical assistance on regulatory matters.

Managing Africa's natural resources for a promising future

Challenges and opportunities

Africa has significant natural resource wealth. The region is home to the world's largest arable landmass; second largest and longest rivers (the Nile and the Congo); and its second largest tropical forest. The total value added of its fisheries and aquaculture sector alone is estimated at USD 24 billion. In addition, about 30% of all global mineral reserves are found in Africa. The continent's proven oil reserves constitute 8% of the world's stock 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.

The contribution of extractives to public finance is significant, with some African countries' public revenue almost entirely dependent on them. Indeed, AfDB estimates that Africa's extractive resources could contribute over USD 30 billion per annum in government revenue for the next 20 years. The Bank also estimates that revenues from recent oil, gas and mineral discoveries could contribute between 9% and 31% of additional government revenues over the first ten years of production for countries such as Ghana, Liberia, Mozambique, Sierra Leone, Tanzania and Uganda. Furthermore, beyond extractives, land, water basins, wildlife reserves and national parks offer an opportunity for ecotourism and related economic activity.

Unleashing Africa's natural resource potential

Africa's natural resources provide a unique opportunity to foster human and economic development. However, there are significant obstacles preventing African countries from realizing this potential. First, there are sustainable development and governance challenges, including environmental problems, desertification, resources conservation, the displacement of communities from traditional lands, a lack of clear

national policy directions, and poor investment decisions and revenue management. Second, weak institutions lead to poor border controls, a lack of human security, a drop in investment, poor policy choices as well as a decline in biodiversity and formal trade.

Against this backdrop, there is pressure to address problems quickly. First, the need to protect natural resources is increasing as consumption rises and as trade-offs across resource use offer more alternatives (e.g. mining activities

versus tourism-oriented conservation). Second, persistent poverty, unemployment, inequality and the increasing voice and influence of CSOs add to the pressure on governments and investors to share the benefits of natural resources wealth. While there is a clear understanding of these needs and challenges, it is not matched with the capacity to respond to them. This is where ANRC comes in. A key value proposition of the Center is its ability to help bridge this gap.

What we do

Capacity building For improved natural resources management

ANRC's mission is to advise African countries on natural resources management, policy formulation and implementation to enable them to secure greater social and economic value from resource development.

ANRC provides African countries with solution-focused products, tools and services to increase their capacity to manage natural resources. ANRC's products and tools are designed with an emphasis on practicality while its advocacy support spells out policy options, risks, rewards and trade-offs to inform public dialogue.

Getting to the heart of the problem

The Center's activities cut across renewables (water, forestry, fishery, land) and non-renewables (oil, gas, minerals). Many natural resources policy challenges opportunities are common to both types of resources. These commonalities include

policies for implementation of sustainable development solutions, conservation, negotiating concessions, managing conflicting resource needs, promoting transparency and linking resources projects to national economies.

The Center's work programme focuses on upstream natural resources management. From the perspective of the state's role as custodian of natural resources, the main policy challenges and opportunities facing African countries are primarily upstream of the economic value chain. The Center's activities thus target the raw material stage that includes project development but excludes the processing and post-processing stages.

Our strategic focus

A two-pronged approach for greater impact

ANRC's six-year strategy (2015-2020) is formulated around two pillars, namely integrated natural resource development planning to protect the environment through sustainable development; and good governance of natural resources to support negotiations, local content and transparency through public participation.

Integrated natural resource development planning

The exploitation of natural resources cannot be sustainable without reconciling countries' industrial development goals with the conflicting need for conservation and a balance of subsistence. ANRC's first strategic pillar advocates for an integrated approach to renewable and non-renewable resources exploitation and a long-term planning perspective. Work under this pillar includes helping African countries understand the economic and environmental trade-offs associated with developing different resource types and providing the right tools to enable governments to develop natural resources industries while mitigating environmental impacts and ensuring the sustainability of renewable resources.

Good governance of natural resources

Good governance is a prerequisite to harnessing the economic value of natural resources. Transparency, accountability and public participation are needed to enable governments to effectively represent the interest of current and future generations in their negotiations with investors. In addition, governments need to be able to do more than just secure revenue from extractive industries. The institutional capacity must be there to enable governments to boost local economies and foster local employment in the sector.

Under this second pillar, ANRC supports governments' institutional capacity to negotiate, promotes accountability and public participation, and provides strategic advice to negotiations on natural resources contracts and agreements. In addition, ANRC provides policy, legal and institutional tools to narrow the capacity and knowledge asymmetry between African countries, their global counterparts and investors.

ANRC assists African countries in establishing systems that promote accountability and public participation. It supports parliamentarians, independent oversight institutions, transparency standards, and the formulation of decisions and processes relating to natural resources management.

The Center also helps design policies and negotiate investment with two objectives. First, to ensure domestic linkages to multi-purpose infrastructure projects: and, second, to ensure that projects benefit local supply chains, manufacturing industries and service sectors.

Africa's natural resource production 2000, 2010 and Future potencial

	2000			2010		
	Africa's share of global production in %	Value of Africa's production (2010 USD M)	Number of countries 2000	Africa's share of global production in %	Value of Africa's production (2010 USD M)	Number of countries 2000
PGMs	55	10 588	1	74	14 191	4
Cobalt	43	490	6	62	1 775	8
Diamonds	45	4 265	16	54	4 967	17
Chromite	51	1 578	4	42	2 442	4
Manganese	32	493	4	30	3 131	8
Phosphates	28	4 607	10	26	5 662	10
Gold	24	25 568	36	19	19 947	39
Uranium	17	111	3	19	1 013	4
Copper	3	2 871	11	8	7 806	12
Nickel	5	1 225	5	5	1 535	5
Iron ore	5	4 637	10	4	6 404	9
Mining total	14	59 592	44	12	73 286	44
Oil	10	216 001	18	11	284 875	19
Gas	5	39 036	14	7	68 423	18
Coal	6	21 266	15	4	23 759	13
Energy total	10	276 303	11	377 056		36
Food	8	195 082	54	9	260 910	54
Non Food	8	5 618	54	6	5 729	54
Agriculture t.	8	200 675	54	9	266 605	54
Timber	12%	77 267	46	13%	87 229	54

NOTE. Agriculture total does not include timber. Natural gas valued at average European price. Source: 2013 African Economic Outlook, using data from BGR (Bundesanstalt für Geowissenschaften und Rohstoffe) (n.d.), Data on mining production provided for this report, FAO (2012), FAOSTAT (database), <http://faostat.fao.org/> (data soft resources), EIA (2012), "International Energy Statistics", www.eia.gov/cfapps/ipdproject/IEDindex3.cfm (data on energy), World Bank (2013c), "Commodity Price Data - Pink Sheet", <http://go.worldbank.org/4ROCCIEQ50>

ANRC

A trusted adviser

Real output growth 2000-10 in %	Difference in countries	Future potential
34	2	By 2017 33% output increase
262	2	By 2017 87% output increase
16	1	By 2017 14% output increase
55	0	
535	4	
23	0	
-22	3	By 2017 53% output increase
813	1	
172	1	By 2017 86% output increase
25	0	
38	-1	By 2017 466% output increase
23	0	
32	1	
75	4	15-20% growth additional to normal expansion from new fields in Mozambique and Tanzania
12	-2	
34	0	
2	0	
33	0	
13%	8	

- Provides policy advisory services to African countries and regional economic communities to improve shared value
- Advocates for African natural resources management in relevant global fora to ensure mutual benefit
- Provides strategic advice to negotiations to ensure stable agreements
- Promotes responsible environmental stewardships to ensure sustainability
- Acts as a trusted adviser in dialogue between regional governments and private investors, among other activities

Standing Out

Our unique value



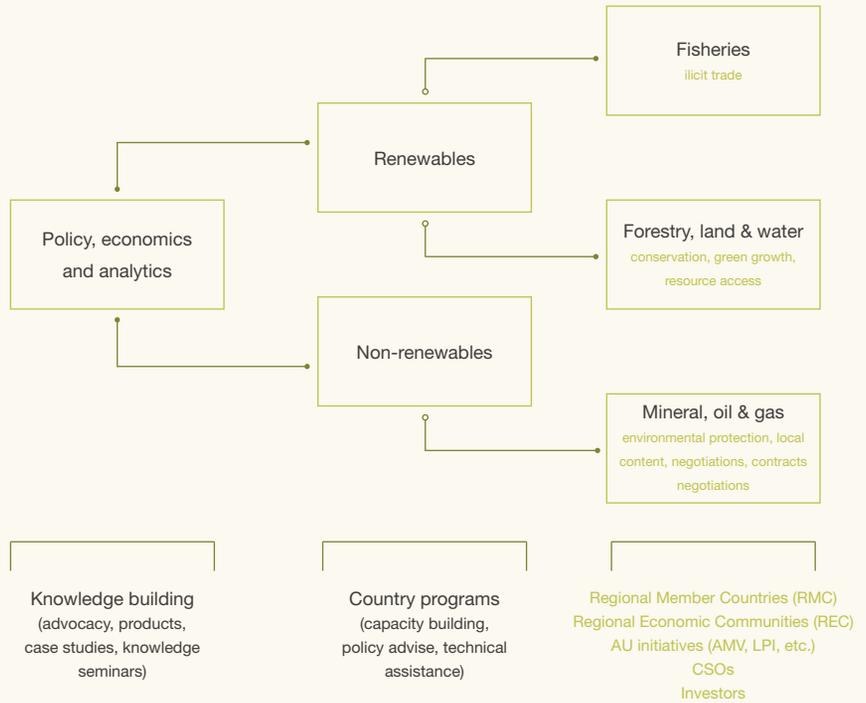
ANRC is unique in its focus on both renewable and non-renewable natural resources. The Center's broad range of expertise and knowledge on the complexities and cross-cutting issues among both types of resources allows it to provide countries with comprehensive natural resource management support tools and products.

ANRC's work is hands-on. The Center focuses on delivering practical support and tools that are adaptable from country to country and applicable to a range of issues. These tools provide a coherent policy foundation that can be adapted to specific circumstances and have relevance between sectors and national contexts. This is important given the demand for tailor-made capacity building products and given the amount and complexity of information that African countries must digest to inform policy design.

Its position within AfDB allows ANRC

Operating Structure

to leverage the Bank's resources, partnerships and comparative advantage as the leading regional development partner to administer practical solutions for African countries. ANRC also benefits from AfDB's ability to broker dialogue between investors and regional governments, as well as from AfDB's network of offices and knowledge of the geopolitical environment in each country and region. Finally, as the preferred development partner for African countries, AfDB is able to place Africa's natural resources at the heart of the national and regional policy environment.





Working with us Partnerships

To do its work efficiently, the Center partners with other knowledge and capacity building institutions in administering training and conducting advocacy seminars. ANRC also partners with private sector associations to capitalize on their technical and commercial knowledge. Other important prospective partners are research and policy institutions that receive endowments from private sector entities to conduct research as a public good.

ANRC is actively seeking development partners, CSOs and private sector entities to work with to develop common solutions and increase impact.

Collaboration is specifically sought in the form of:

- Partnerships at the country and regional levels for technical support, capacity building and knowledge sharing,
- Partnerships with national, regional and international stakeholders to promote knowledge transfer and best practices,
- Policy advocacy work to bridge knowledge gaps.

For more information, please contact us at:

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