



## TANA HIGH-LEVEL FORUM ON SECURITY IN AFRICA

### Summary on the Theme: Natural Resource Governance in Africa

6<sup>th</sup> Tana High-Level Forum on Security in Africa  
22-23 April 2017, Ethiopia

#### 1. Background

The scale and diversity of Africa's natural resource endowments reveal that the continent alone has 12% of global oil reserves, 40% of global gold deposits, and about two-thirds of the world's most suitable land for farming and forests. Unfortunately, and for a plethora of reasons, the flipside to this unprecedented potential is that the continent has not been able to fully maximise the developmental benefits that should have accrued from exploiting these resources. For example, the mispricing of natural resources in Africa leads to the loss of \$50 billion per year, more than Africa's combined foreign direct investment and overseas development aid. In addition, according to an Oxfam estimate, more than US\$18 billion per year is lost through resource-related conflicts in Africa, not including indirect costs.

The 6<sup>th</sup> Tana High-Level Forum on Security in Africa, set to take place on 22-23 April 2017, will focus on the theme of "*Natural Resource Governance in Africa*". The choice, in many ways, reflect the centrality of natural resources, both in historical as well as in contemporary times, in understanding: i) the far-reaching implications on state-society relations within the continent, and ii) Africa's disadvantageous position in global production and exchange since the earliest days of European penetration and colonialism. It also seeks to showcase how, over time, the exploitation of the continent's rich and diverse natural resources, both on land and sea, have created several paradoxes; in particular, those leading to inequality and poverty, corruption, unemployment, environmental degradation, violent conflicts, and the elusive quest to realise Africa's full developmental potential. While natural resources can serve as a critical national asset to lift citizens out of dire economic situations into sustainable development, as the experiences of many countries have clearly demonstrated, the flipside is that "[Over] the last 60 years, in any particular year, between 40 and 60 per cent of on going internal armed conflicts have been linked to natural resources" (AfDB, 2016). Clearly, then, one of the most important and contentious issues Africa currently faces in the natural resource sector is how to reverse the misfortunes of exploitation and 'bring governance back' in ensuring that benefits accruing from the continent's providential endowments create new opportunities and positive multiplier effects for both citizens and the state.

The 6<sup>th</sup> Tana Forum will go beyond the conventional wisdom that places sole premium on the long-standing contradictions within the extractive 'non-renewable' sector (oil, gas and minerals)



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in understanding and explaining the challenges of resource governance in Africa. Whereas debates around the governance of natural resources have understandably been fixated on the extractive sector, the 6<sup>th</sup> Tana Forum will broaden the scope to include issues surrounding the governance of other natural resources, specifically: **(a) land, (b) water, (c) seas, and (d) forests and biodiversity**. It will seek to understand and explain why the exploitation of these resources is increasingly a source of tension and violence in ways that have profoundly disturbing impacts on peace and stability on the continent.

By providence, natural resources are mostly located in peripheral spaces (border areas, on seas, and in remote sites) where the writ of the state is either limited or non-existent. This outlook, in turn, is transforming sites of natural resource exploitation into “colonial” enclaves where operators, mostly transnational companies, are free to act with impunity in ways that impact negatively on weaker host communities; where potential insurgent or terrorist movements thrive away from the prying eyes of the state; where there is a thin line between formal and informal economies as different sets of rules apply; and where agitations by local communities - even when genuine - are met with heavy-handed and coercive responses by the state at the prompting of international capital, to highlight a few. The Tana Forum will solicit mainstream and alternative perspectives around how issues and concerns linked to the management of natural resources in distant and mostly ungoverned spaces might be tackled in a holistic and sustainable manner before the dire situations in such locations spread.

Further, the Forum will facilitate debate around how to conceive, design and implement a new set of governance frameworks and priorities to ameliorate or end the recurrent contradictions in the natural resource sector. The role of African institutions in creating, implementing and enforcing policies on natural resource management is critical. In many places across the continent, such institutions are increasingly facing pressure from citizens to focus on accountability, participation and transparency as a means of eradicating corruption and building trust when it comes to natural resource management. It will, in addition, explore a tapestry of issues relating to: how to boost the capacity of African countries - individually or collectively - as they demand the renegotiation of existing contracts believed to have been poorly negotiated leaving African countries at grave disadvantage; what roles non-state ‘civil society’ actors might play in mediating the new pockets of resource nationalism on the continent; and what the risks involved in natural resource governance may be, and how they might be managed in an efficient and sustainable manner. Finally, in looking forward, the Forum will explore the spectrum of new governance infrastructure, mechanisms and regimes required to ensure the effective management of Africa’s natural resource sector.



### 2. Untangling the nexus: natural resources, governance, development and conflict in Africa

#### 2.1. The extractive industry

In most African countries, the largely foreign-dominated extractive industry involved in the exploration, exploitation and trade of gas, oil and minerals accounts for a large chunk of foreign exchange earnings. There exists, however, a link between the operations of this industry, how economic growth and governance are impeded, and the outbreak and continuation of protracted violent conflicts. It is well known that gains from the extractive and non-extractive sectors have been used to finance state-sponsored wars as well as non-state armed insurgencies of the types witnessed in the Democratic Republic of Congo (DRC), Sierra Leone and Liberia.

Even at that, the nexus between the exploitation of natural 'extractive' resources and conflict is not automatic. There is an urgent need to reflect deeply on why the relationship is presumed to exist in the first place; and what mediating factors might account for such. In doing this, there is a compelling need to understand how the extractive sector gained salience in the political economies of African countries. This debate, while of great import today, must necessarily be traced back to and situated in how Africa was incorporated into the global capitalist-oriented system, originally as a source of raw materials to sustain the industrial revolution in Europe in the 17<sup>th</sup> Century. After all, not much has changed in terms of the secondary and subservient status and role that Africa continues to play in the global system of production, exchange and consumption. For one, the continent is still unable to overhaul or control the logic and mechanisms that determine what and how much it can produce, as well as whom to sell to.

At the heart of the contradictions in Africa's extractive sector is partly that the continent, for the most part, still produces what it does not consume, and consumes what it does not produce. While there might only be a few exceptions e.g. Botswana, the 6<sup>th</sup> Tana Forum seeks to go beyond the dominant and sometimes misleading "resource curse" narrative to investigate several paradoxes associated with the African extractive sector, including but not limited to: its dominance by external interests and by extension, its outward orientation; the opaque, parasitic and incestuous relationship nurtured by controlling state and international business elites; the pervasive tendency to operate more or less as an 'enclave economy' that may be physically located within a country but largely operating outside national laws and regulations; and double standards in the operations and practices that external actors dominating the sector engage in, to name a few. It is important to note that the existence of natural resources is, by itself, not problematic; it is rather the management of revenues and how they are distributed that is at the



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heart of festering governance challenges. These issues are increasingly described in terms of growing resource nationalism in many resource-rich African countries today.

### **2.2. Land**

It is estimated that two-thirds of the world's most suitable land for farming (of which only 8% is irrigated) is located in Africa. Land not only holds immense cultural value, it is also a source of livelihood for the continent's growing population, most of whom still live in rural areas and engage in subsistence agricultural and artisanal activities. Unfortunately, the continent's vulnerability to environmental problems due to climate change and climate variability as well as pressures due to population growth and rural-urban migration have continued to place a strain on land and other renewable resources. Because it is directly linked to human security considerations, land has become a major source of contestation between and among groups, including those with previously shared traditional and cultural affinities.

The pressure over land is compounded by the nature of land tenure systems in Africa, one in which the traditional (or communal) is constantly in conflict with modern imperatives, and in several instances, creating scarcity and its attendant problems. As a renewable resource, social and political questions over land have become complex because different groups use them for different purposes. At the forthcoming Tana Forum, a critical interrogation of land, in terms of its myriad economic, cultural, political and security dimensions should be given priority consideration. How, for instance, might controversies surrounding land be understood and better managed within the framework of an inclusive and participatory governance before they erupt in new and vicious forms of violence? What are the existing regulations and parameters of land use in Africa, and what factors predispose them to abuse and violence? What should be the point(s) of convergence between traditional and modern narratives around land? And finally, from solutions linked to the diversification of livelihoods to increasing irrigation systems, what new incentive structures are required to reverse the growing trend of violent conflicts around land?

### **2.3. In land water resources**

The same dilemma over land, especially in terms of contestations over access, control and usage, also resonates with water. In contrast to land and other extractive natural resources, however, there is no alternative to water since every spectrum of development and the entire global ecosystem and their populations depend on it. For Africa, the water estimates are staggering: one-third of the world's international river basins are found in sub-Saharan Africa; with 35 countries sharing 17 major river basins. About 75% of the total water resources of the continent are concentrated in eight major river basins, while the continent's 63 international river basins cover



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about 64% of the continent's land area and contain 93% of its total surfacewater resources. They are also home to some 77% of the population (UNEP 2010).

In contrast, more than 300 million people in sub-Saharan Africa alone are without access to reliable drinking water sources, while 14 countries on the continent are already experiencing water stress. According to estimates by the UN Department of Economic and Social Affairs, Africa's current population of 1.216 billion is expected to double by the year 2050, and then double again by 2100. There is no doubt that growing populations and developmental and climate change pressures will rapidly aggravate water scarcity and this might lead to competition in Africa. Given the overall asymmetry in water distribution and access in different parts of the continent, the pressure on the already scarce resource will be huge and mechanisms should be installed to prevent any unnecessary and avoidable conflict.

While most upstream-downstream dependencies between countries have often led to cooperation rather than conflict<sup>1</sup>, this should not be taken for granted. With the rapid growth of population, urbanization and expansion of economies, the pressure on the existing available fresh water will be high. Therefore, different actors, state or/and non-state, should work towards preventing the problem from becoming a crisis that would lead to violent conflict. Hence, (violent) conflict preventive approach should be explored. Existing problems and challenges should be taken as an opportunity to solve multiple water related problems.

Invariably, the growing pressure on the available fresh water and the fear that there is the potential for water conflicts and the positive examples of cooperation over water issues forces countries, acting collaboratively, to place greater premium on bilateral and multilateral water diplomacy and governance as an important means to preventing conflicts over water, as well as foster bilateral and multilateral cooperation to sustainably manage such scarce resources. What, then, are the key lessons in transboundary water management and usage in Africa, or elsewhere, that might be helpful for the future? What have been the key challenges that African countries faced in the management of transboundary water courses? What are the opportunities to enhance cooperation over transboundary water courses in Africa? What new forms of water governance regimes should be contemplated, and implemented for the short-, medium-, and long-term? From which direction or platform (bilateral or multilateral, inter-governmental or supranational) should new responses to innovative water management be approached?

### **2.4. The seas as a new resource frontier**

Africa is an island surrounded on all sides by seas and oceans; the Atlantic Ocean to the west and south, the Indian Ocean to the east, the Red Sea to the Horn of Africa, and the Mediterranean to the north of Africa. Since the early days of trans-Atlantic trade, oceans around Africa have been central to global commerce, to European penetration of Africa, and to the consolidation of European colonial rule. In more recent times, African seas have assumed even more salient



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economic and geo-strategic importance; be it in terms of the discovery of hydrocarbon resources in the deep waters of the Gulf of Guinea, the huge migration passage for trafficking through the Mediterranean into Europe, incidences of piracy or the illicit trade in drugs, narcotics, weapons and ammunitions. Indeed, it was clearly to reposition African seas as a source of prosperity that the October 2012 AU Extraordinary Summit on Maritime Security and Safety and Development in Lome, Togo, underscored the centrality of the African maritime domain to serve as a key driver of the continent's economic and social development. It also called for an African strategy for the protection of its seas and oceans, and to provide peace and stability.

Yet, it is important to note that whereas more than 30 African countries have direct access to the sea, the writ and actual presence of their governments on the waters is either too lean or virtually non-existent. This situation raises a number of pressing concerns over the exercise of African state sovereignty at sea. For instance, in the absence of state writ the seas have become sites for the dumping of toxic waste, illegal commercial fishing and the depletion of marine stock. Further, there are challenges linked to livelihoods and the survival of coastal communities having to cope with the rise in sea levels, and how best to harness the untapped resources of the seas and challenges linked to the management and preservation of marine resources and marine ecosystems. In all these different aspects, it is not just the role of the African state that is important but increasingly also that of a wide range of international actors: major global powers, large multinational corporations, and a whole retinue of clandestine networks. What are the implications of this proliferation of external actors on African waters? What precisely are they doing on the waters, and what are the implications of the activities they are engaged in for the sovereignty of African states?

Alongside the urgency to interrogate the various dimensions of sea-borne challenges that Africa faces, there are several other contentious issues that typically still evade scrutiny despite their myriad economic, geostrategic and security implications. For instance, a growing number of landlocked countries, 16 to be exact, are facing pressure to gain secured access to the sea. In contrast to landlocked countries in West Africa that have managed to establish and maintain cordial relationships with their coastal neighbours, for example, several in other parts of Africa (e.g. South Sudan and Ethiopia) have experienced hiccups with Sudan, Eritrea and occasionally Djibouti. What, then, is the changing nature of this politics of access to the sea? What kinds of access do landlocked countries currently have, and what forms of negotiations produced such access? What new and emerging issues are changing, for good or bad, the existing configuration of relationships between landlocked countries and proximate neighbours with access to the sea? Is there any urgency to establish a multilateral framework to better manage the relationship between landlocked countries and those with access to the sea in ways that create win-win opportunities for both sides?



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### 2.5. Forests and biodiversity

African forests and their biodiversity reflect salient aspects as well as dimensions of the paradoxes associated with the exploitation of renewable and non-renewable natural resources on the continent. Africa's rainforests are estimated to cover approximately 3.5 million square kilometres of the continent's surface land, and on the basis of current estimates more than 75 million people depend on these forests for their livelihoods. The African rainforest is also noted for its rich cultural diversity, with six<sup>1</sup> of the world's heritage sites located within an area covering an estimated 63,000 square kilometres. More significantly, the Congo Basin rainforest, described as the second "lung of the planet", is the world's second largest carbon sink after the Amazon and is widely known to be pivotal in reversing the ills of climate change.

While African forests attract substantial environmental, economic, cultural and geological interest around the world, its current status calls for concern as well as urgent concerted effort. In the first instance, the rate of decimation of the forests and by extension, their rich biodiversity, is alarming. African forests are under severe onslaught from deforestation, degradation and unsustainable land tenure systems and practices. Since the 1990s, African forests have become the first casualty in the context of the continent's brewing civil wars. Because they are located far away from the prying eyes of central governments, forests have become attractive sites for mobilising and consolidating insurgency movements who also exploit their rich resources to finance their activities. When conflicts break out, all manner of illicit and clandestine activities involving local and external commercial 'rogue' interests converge to create an informal economy that benefits from indiscriminate logging, mining and smuggling of precious minerals, and the illicit trafficking of humans, drugs and narcotics, and weapons. It was not by coincidence that some of the worst assaults on African forests occurred in the context of protracted civil wars in Sierra Leone, Liberia and the DRC.

But, then, it is not only illegal activities by a plethora of local and international rogue elements that put African forests under the kind of siege they have witnessed over the past two decades. Clearly, deliberate actions (or inactions) by government have also undermined the ability of many countries to maximise forest resources. In many parts of modern Africa, therefore, governments have succumbed to commercial imperatives to convert large expanses of forest reserves into new lands for industrial-scale commercial agriculture, mostly to serve external

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<sup>1</sup> These are: the Congo Basin ([Dja Faunal Reserve](#) in Cameroon; [Lope National Park](#) in Gabon; [Sangha Trinational](#) straddling the border between Congo, CAR and Cameroon; [Salonga National Park](#) and [Okapi Faunal Reserve](#) in the Democratic Republic of Congo) and the sixth ([Tai National Park](#) in Cote D'Ivoire) is in the Upper Guinea forest block.



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markets. Usually, the terms of negotiations for such huge forest spaces are not only shrouded in secrecy but create pockets of land grabbing. Self-help measures on the part of forest communities can end up alienating and disenfranchising local communities and even leading to conflicts. Beyond the myriad environmental impacts in terms of loss of biodiversity, soil erosion, and habitat fragmentation, the social and economic consequences of a massive deterioration of forest areas across Africa end up resulting in a change of power dynamics between competing forest users in ways that further magnify the scale of the problem, and counter-claims from local communities that lead to protracted violent conflicts.

In light of all the above, there is a need to revisit the debate around African forests not just in terms of the immense opportunities harnessing them positively could yield, but also how doing otherwise might have adverse and undesirable long-term effects.

### **3. Other crosscutting issues in natural resource governance in Africa**

Despite the centrality of the natural resource sector in Africa as captured above, the continent is witnessing growing pockets of resource nationalism through social activism at the local and national levels, and from outside through several global initiatives such as the Kimberley Process for the global trade in diamonds. In this regard, a number of crosscutting issues will be the subject of keen debate at the 6<sup>th</sup> Tana Forum, including: (1) growing demands to renegotiate concessions entered into with transnational companies; (2) responsible revenue management,<sup>2</sup> especially in terms of promoting transparency, accountability, ethics, and social responsibility in natural resource governance; (3) achieving and maintaining resource sovereignty at a time when many African countries have to rely on external initiatives to get a fair deal from the exploitation of their resources; (4) investing in new, forward-looking infrastructure in the natural resource sector; and (5) monitoring and enforcing extant laws and regulations, including regional<sup>3</sup> and global protocols on different aspects of natural resource governance such as Publish What You Pay (1999), the Kimberley Process (2000), the Extractive Industries Transparency Initiative (2002),

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<sup>2</sup> In 2004, the National Assembly of Sao Tome and Principe unanimously enacted a law on revenue management via inclusive dialogue involving different local and international stakeholders. The law stipulates that oil revenues are deposited into a savings fund that allows limited withdrawals to ensure sustainability. Furthermore, the account is public and monitored by an oversight committee, ensuring both transparency and accountability.

<sup>3</sup> The African Union (AU), the United Nations Economic Commission for Africa (UNECA), and the African Development Bank (AfDB) have launched several initiatives to improve resource management at the continental level. These include the African Mining Vision, the Framework and Guidelines on Land Policy in Africa, and Africa Water Vision 2025; and AfDB's African Legal Support Facility (ALSF) to assist governments in the negotiation of concession agreements.



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and the G7 Initiative on Strengthening Assistance for Complex Contract Negotiations (CONNEX) (2014).

It is instructive how several extant laws and regulations governing the natural resource sector in Africa date back to the colonial era or the early decades of independence when many African countries still lacked the capacity or wherewithal to negotiate better deals. There is no doubt that multinational companies working in collaboration with national elites have long exploited Africa's vast natural resources to their mutual advantages, but less so in the collective interest and well-being of their citizenry. For the most part, then, many agreements are not in accordance with national laws, are out-dated and need to be renegotiated for reasons that they easily allow for tax evasion or avoidance, or contain unfavourable social and environmental conditions. In line with the prescriptions of the African Development Bank, it will be interesting to explore how African governments and institutions might better negotiate contracts, licenses and concessions; encourage private sector investment; work with external partners to certify and track mineral resources; ensure that consultative processes are inclusive; build national and regional advisory support capacities; create incentives for safe and profitable extraction and data transparency; and eventually, prepare for the inevitable depletion of certain natural resources.



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